FOREIGN AFFAIRS

AN AMERICAN QUARTERLY REVIEW

JULY, 1929

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The Editors.

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SINCE VERSAILLES

By Raymond Poincaré

ON this twenty-eighth day of June ten years will have passed since the signing at Versailles of the first of the international treaties which put an end to the World War and determined the conditions of peace. Ten years, *longum ævi spatum*. In this period mankind has made persistent and laudable — and, it must be confessed, contradictory — efforts to regain its balance. But still there hovers over Europe, perhaps over the whole world, a sense of uneasiness. Though at times scarcely perceptible, it is always present beneath the surface and crops out again under some political or economic influence. On such an anniversary as this we shall not do wrong to pause and take stock of the progress that has been accomplished, to note the alarms and anxieties still remaining, and to try, from these observations, to draw some lessons for the future.

Let us begin by recording with satisfaction a distinct and general improvement in the intercourse among nations. Not only have regular and courteous diplomatic relations been resumed between the nations which were at war, but treaties of commerce have been concluded, industrial cartels formed, statesmen brought together, mutual suspicions allayed, painful memories softened, and an effort really made to cease finding in past sorrows food for revenge and hate. The very name of *Peace* has taken hold of the imaginations of men and has acquired in their minds a prestige unknown until this day. For centuries the practice and habit of war has endured among the nations. The glories of war have been celebrated everywhere and in every way. Conquerors have always been the favorites of history. Not so long since, under the Hohenzollerns, war was still openly praised in Germany. Von Moltke wrote: "International peace is a dream — and not even a beautiful dream; war is a part of the world order created by God; without it, the world would sink deep into the morass of material-

ism." And Ludendorff, in his turn, declared that war, a natural phenomenon, would remain the ultimate recourse of statecraft, the factor which in the last analysis decides. A few months ago, by way of contrast, we saw a German Minister of Foreign Affairs take part not only in the signing of the Treaty of Locarno but also of the Kellogg Pact, and the greatest Powers of the world solemnly join hands with the smallest to outlaw war. It would indeed be a hardened pessimist who refused to acknowledge such evident progress. "He who accustoms himself to faith, believes," said Pascal, "and can no longer fear hell." By dint of repeating the word *Peace* the peoples of the earth, let us hope, will accustom themselves to that state and will no longer fear armed conflicts.

As for France, she has given many proofs of the sincerity of her intentions. The moment war was over she cut the term of her military service from three years to eighteen months, and Parliament has recently voted a further reduction which is to result in a one-year term. And France, it must be remembered, is responsible for the security not merely of her metropolitan territory but also of her numerous colonies scattered all over the globe and attached to the mother country by a myriad of traditions and interests. France, moreover, has time and again announced her willingness to go still further along the path of disarmament. She associated herself with all the efforts for peace of the League of Nations, in all the attempts to extend the principle of arbitration, in the creation of the Permanent Court of International Justice, and in the drawing up of the famous Protocol, which she would have liked to see put into immediate execution but which lacked the necessary number of signatories and so unfortunately remained still-born in the limbo of Geneva.

France is determined to carry on her work of reconciliation. She will not weary of helping toward the consolidation of peace. I admit quite candidly that there is no great merit in this persistence. She could not act otherwise without denying herself and without betraying her own best interests. A war which she neither sought nor provoked, which she did everything to avoid and which was thrust upon her by a military imperialism, ravaged ten of her fairest departments, killed almost 1,400,000 of her sons, mutilated 740,000 more, exhausted her resources, disrupted her finances and plunged a multitude of her families into mourning and ruin. She has therefore every reason to dread the return of such an ordeal; and she would be all the more insane to risk it be-

cause in no case would she have anything to gain. After the victory of the Allies many nations, great and small, annexed territories which they had never before possessed. France was content to recover what had been taken from her by force in 1871. She did not even get back her old frontiers — those which had been hers before the Revolution, and which even the Coalition of 1814 had left her. She only demanded that a population which despite its unanimous protests had been taken from her by force of arms should not remain separated any longer, and that a violent rape should not be wiped out by a statute of limitations. She obtained satisfaction. She has never wished for more. If — on an hypothesis which I absolutely reject — she should in spite of herself again become engaged in another war, and if she should again be victorious, she most certainly would not seek any aggrandizement; she would rest entirely satisfied within her present boundaries. A war, then, whatever its nature, could only add to her sufferings without bringing any compensation. Even if she had no higher or nobler reasons, her best interests, properly understood, would suffice to hold her back from any indiscretion.

For the last ten years, moreover, France has devoted her best efforts to economic and financial reconstruction. The rebuilding of the devastated regions and the indemnifying of wounded soldiers, widows and orphans of war veterans, were tasks that put heavy charges on her budget. She had to vote every sort of tax. For a number of years the default of Germany forced her hurriedly to undertake the reconstruction of houses, roads, canals, railroads, factories, churches and schools, and this entailed the issuance of a series of short-term loans. The national currency consequently became depreciated, and foreign speculation precipitated and increased the process. In July 1926 it became necessary for France to accept new sacrifices and to resort to exceptional measures in order to ward off disaster. Indeed, the danger is not even yet completely averted; we must be satisfied with having set bounds to it. By an act of courage, the franc has been stabilized at one-fifth of its pre-war value. Though this was a cruel blow to a host of Frenchmen of moderate means, and particularly to the *petits rentiers*, the steadiness, common sense and industrious integrity of the people of France have led them to accept these many disappointments and to regard them as a ransom exacted for the salvation of their country.

Now that the most painful period of this long crisis is over and

France knows that her recovery rests on a firm basis, her concern is that the reëstablishment of her material prosperity shall enable her to resume the advances in the intellectual and social field cut short by war. The energy shown in the development of her academic, scientific and hygienic agencies, in the organization of social service, relief and insurance, gives any impartial observer clear proof that never has a people been more eager to contribute spontaneously to the enlargement of human welfare and happiness.

But merely because I say France is surpassed by no one in the tasks of peace I must not be understood as claiming that she stands alone in her endeavors. Quite the contrary. I feel sure that in every nation the vast majority of families have the keenest desire to see public prosperity develop in a peaceful and orderly way. There would be universal rejoicing if the old French motto of *liberté, égalité, fraternité* could be translated into reality everywhere. Nevertheless we should be deceiving ourselves — and simultaneously deceiving our friends across the Atlantic — if we did not admit that ten years after the signing of peace there still exist in Europe a certain number of old camp fires where, though banked under a thick covering of ashes, the hidden sparks still glow.

To begin with, it is Europe's unenviable privilege to have as its eastern neighbor an immense and mysterious power whose political régime has nothing in common with that of other civilized nations, and of which the least one can say is that under the guise of advanced ideas it seeks to spread the most frightfully reactionary passions. Even in those states with which it has official relations it is in secret contact with all the trouble makers and therefore assuredly does not foster the spirit of European understanding and coöperation. But aside from this chief source of contagion, numerous pockets of poisoned germs are scattered here and there across the Continent. Peace treaties seldom satisfy both victors and vanquished. In the past, treaties have generally relied upon force for their execution, with the result that the weak often were imposed upon. A nobler ambition inspired the contracting Powers at the end of the last war. They set themselves the task of establishing peace upon justice, and in laying out frontiers they tried to take into account, so far as possible, the wishes of the inhabitants.

The principle would have been excellent had the nationalities

in Europe been divided into compact and homogeneous groups, easy to distinguish and separate from one another. But this was not the case. On the contrary, there were large zones co-inhabited by different races. The Hapsburg Monarchy was a composite and incongruous structure, which included under one roof Germans, Czechs, Slovaks, Poles, Magyars, Croats, Serbs and Rumanians. The dissolution of the empire did not put an end to this mélange. No matter where the political frontiers might be drawn, there was no possibility of basing them strictly on ethnology. Even plebiscites could not entirely cure the ethnic anarchy. Plebiscites were held in certain regions like Upper Silesia; the population announced their decision, but their verdict has not smoothed away the rough surfaces of friction. In almost all the countries of Eastern and Central Europe nationalities have remained inextricably mixed. Czechoslovakia, for example, forms a vigorous state in which two Slav families live side by side; for centuries they have preserved their traditions, language and love of independence; but important German groups are settled in their territory and do not merge either with the Czechs or with the Slovaks. The Dantzig corridor is inhabited chiefly by Poles, and except in the immediate vicinity of the coast there are few towns or villages where the Germans can boast any great numerical superiority, in spite of the fact that for many years they were in control of the region; on the other hand, there are few localities where the inhabitants are exclusively Polish; almost everywhere the two peoples are juxtaposed in varying proportions. Transylvania belonged to Hungary; it was an essentially Rumanian district; it was assigned to Rumania; but many Magyars still live there and this is sufficient excuse for Hungary to continue pressing her claims upon it. And so forth and so on; I could keep on multiplying examples of this kind indefinitely.

Faced with such a complex situation, the peacemakers found it no easy task to reach a solution. One system would have been to say to the different national groups: "If you remain in this country you must submit yourselves like other citizens to the law of the land. If you do not wish to merge with the majority, cross the frontier and join your compatriots." This was the system later adopted for the Greeks and Turks in Thrace by the Treaty of Lausanne. But to uproot large and sedentary populations in this manner would really have been too barbarous a proceeding, and it was rejected. Another method might have consisted in natu-

ralizing *en masse* all the inhabitants situated within a given state, and thenceforward to have recognized no legal distinctions of race or language. After all, it is neither the technical question of national origins nor yet the spoken idiom which determine the nature of the "fatherland." The United States is the greatest country in the world; national consciousness, the ideal of patriotism, exercise wide influence and enjoy great prestige there; and yet among the Anglo-Saxon majority of Americans are found great numbers of Germans, Italians, Frenchmen and Spaniards who are also full citizens and are governed by no separate statute.

The peace treaties thought it wise to adopt neither of the above methods. They formed what they called "national minorities." For example, if we re-read the treaty signed at Trianon on June 4, 1920, we shall find the new frontiers of Hungary delimited. Then comes a section dealing with the protection of minorities and another with clauses referring to nationality. Consequently there are to be found in Europe a number of new or reconstituted states containing minorities, either of race, religion or language, which enjoy certain advantages as to schools, charitable institutions and social works and are placed under the protection of the Council of the League of Nations. This arrangement undoubtedly had the best of intentions. But, easy as it is to know what language a people speaks or what religion it professes, it sometimes is very difficult to recognize what race it belongs to or even in a general manner to define any particular race. Moreover, by forming the minorities into little islands in the bosom of a nation the treaties inevitably thrust them into opposition to the rest of the indigenous population. This process results in an ever widening breach, and instead of making for peace and unity leads the country insensibly toward strife and division. The appeal to the Council of the League of Nations often proves in itself a source of trouble and agitation rather than an influence for peace. Finally, the precautions, though taken in the interest of justice, run the risk of maintaining feelings perpetually at a fever pitch. The most recent meeting of the Council at Geneva offers an excellent example of the state of excitement induced among those concerned by the mere announcement of a debate on minorities.

If the question of minorities is not to become a danger to peace, care must be taken to prevent diplomatic texts from being misinterpreted and used as the pretext for improper interference.

Each member of the Council of the League of Nations undoubtedly has the right to draw the attention of the Council to an infraction, or the threat of an infraction, of contractual obligations. But, legally, all minorities depend only on the country of which they form a part. A Slav minority in Hungary is Hungarian; a Hungarian minority in Jugoslavia is Jugoslav; a German minority in Poland is Polish; a German minority in Czechoslovakia is Czechoslovak. No state, in consequence, has the right to claim authority over populations living outside its borders and which it may rightly or wrongly consider as brothers of its own nationals. Were it otherwise, the door would be wide open to adventures in imperialism and to manœuvring and intrigue of the worst description.

What would be even more fatal to European peace would be if certain Powers, whether signatories of the treaties or not, should try to revise the present territorial arrangements. Several Powers at this moment make no secret of their intentions in this regard. Hungary is conducting a campaign to get back those districts assigned to her neighbors. A permanent state of conflict exists between Poland and Lithuania. Russia wishes to modify her Polish frontiers and to take Bessarabia from Rumania. Germany makes no bones of her intention to absorb Austria, dispute Belgium's title to Eupen and Malmedy, and wrest the Dantzig corridor from Poland. The incorporation of Austria in Germany — the *Anschluss* — would, in the eyes of the Reich's neighbors, appear as the systematic reëstablishment of German hegemony in Central Europe, and since according to the provisions of the Treaty of Versailles such a fusion can be authorized at Geneva only by a unanimous vote, Germany would be sure to come up against the veto of the League. A formidable conflict would ensue. The affair of the Polish corridor is equally delicate. Those not fully informed sometimes find it surprising that ten years ago Germany should have been separated from East Prussia, and consequently regard the arrangement as certain to be short-lived. At first sight it does appear an anomaly. But, as I pointed out above, the inhabitants of the corridor (particularly those of the hinterland) are, to use the language of the treaties, Polish by race, tongue and religion. While they were under German domination they sent Polish representatives to the Reichstag. Today they are once more joined to Poland, which they regard as their own country. How could they be returned to the authority of the Reich? They

would not accept such an infringement of their rights without open revolt.

These observations will at least have shown that we cannot envisage the future of Europe with complete optimism. The only guarantee of lasting tranquillity lies in a general, sincere and permanent determination to respect the treaties. Sad to say, this determination does not exist today. On the other hand, the more widespread the religion of peace becomes, the fewer heretics there will be among the nations; while the salutary fear of becoming an object of reprobation may restrain many from going over the edge of the fatal abyss. The League of Nations is in a position to exert a happy influence in this respect, and the services which it has already rendered to European harmony allow us to hope that it will not fail in the moment of grave peril.

One problem of which the tenth anniversary of peace is not to see the solution, but which the last few weeks have put well forward on the right road, is that of disarmament. It was the subject of discussion at Geneva from April 15 to May 6, and although the delegations did not find it possible to reach an agreement which might be submitted to the coming Assembly of the League of Nations, considerable clarification and simplification have nevertheless been achieved. We may congratulate ourselves that this progress has been due in large measure to the understanding between the American and French delegates, in particular Mr. Gibson and M. Massigli. We, for our part, are very grateful to the United States and to its eminent first citizen, Mr. Hoover, for continuing and expanding a policy of benevolent collaboration with the League — a policy systematically pursued for the past five years. Complemented by American adherence to the Hague Court, the effort to bring about land and naval disarmament is an inspiring enterprise which must rally the support of the earnest and disinterested in all lands. The attempts of the last few years resulted in failure. Thanks to mutual concessions, it now appears that we are on the high road to success. Count Bernstorff and M. Litvinoff, the representatives of Germany and of the Union of Socialist Soviet Republics, felt constrained to make reservations to the resolutions adopted concerning land disarmament, but the representations of the other nations were unanimous in considering the Russo-German proposals for the direct limitation of war stocks as inacceptable. It was with the approval of France that, after the rejection of our

plan to limit armaments indirectly by limiting expenses, the conference determined to seek a solution by providing for publicity of expenditures. M. Massigli therefore promised to bring to the next session a plan covering the exchange and centralization of information, the regulation of differences regarding the interpretation and application of the convention, and the steps which might be necessary in the event of an infringement of the precautionary measures. After taking note of these declarations, Mr. Gibson paid tribute to the spirit of conciliation shown by the French Government and announced that the attitude of our delegation had materially contributed to the results of the session. It goes without saying that in modifying the proposals presented by M. Paul Boncour in 1927, we in no way repudiate the principle maintained by us respecting the supervision of armaments; and that we reserve the right to return to our initial position in case the decision to meet our views in the matter of trained reserves and reserve material should be reversed. None the less, we fell in with the idea of a new method of approach to the whole problem in order to preserve our accord with the United States; and we did it deliberately, because we are convinced of the lasting importance of a cordial entente between our two Republics.

We also favored an immediate solution of the problem of naval disarmament, but when Lord Cushendun announced in the name of His Majesty's Government that he had not yet been able to reach a definite conclusion as to the technical formula proposed by the United States, it was resolved to adjourn the debate in order to allow the governments concerned to enter into direct negotiations. Of course we at once gladly consented to take part in such negotiations provided they took account of our compromise of 1927 and provided they were directed toward finding a solution capable of general application, not compromising any vital interest and taking account so far as possible of the special situation of different countries. The commission at Geneva has therefore terminated this new phase of its work in an atmosphere of good will and serenity. Even the objections of Count Bernstorff and M. Litvinoff gradually subsided and were merged in the general harmony.

This is indeed of good augury. The organizing of a rational disarmament on land and sea is not a task to be accomplished at one blow. It is no easy matter to guarantee to each nation security against aggression and at the same time set a limit to

its power and means of attack. At first sight the problem resembles the squaring of the circle. But in psychology the most difficult problems find a solution if both heart and head are called into play.

Other things are essential for the consolidation of peace on the Continent. It is necessary to establish economic coöperation among the European nations, to lessen industrial rivalries, and to rationalize production and exchange. At Geneva there has been set up an international economic conference which has outlined important problems and suggested interesting solutions. In tariff questions, in the distribution of manufactured goods, such a conference may play a very useful rôle and give valuable advice. The more the nations of Europe come to feel that they need one another, the more the consciousness of their interdependence will persuade them to frown on the use of violence and the more will they realize that arbitration is the one honorable method of settling inevitable disagreements.

Let us turn now to international debts and reparations. This thorny question has just definitely been settled as I finish these pages for FOREIGN AFFAIRS.

It must be clearly understood to start with that France has never for a moment repudiated or contested the debts contracted during or since the war, either toward America or toward Great Britain. Not only has she always declared herself ready to discharge them to the extent of her capacity for payment and transfer, but since the London and Washington agreements she has actually paid the specified annuities as they came due. She has had only one real anxiety — that at a given moment Germany's insolvency might make it impossible for her to continue payment. Therefore before taking part in the recent conference of experts (for which Mr. S. Parker Gilbert so intelligently prepared the way) she took pains to explain her position clearly. She asked that the German payments be graduated on the same scale as her own and that they should completely cover her double debt to America and England. She requested, moreover, that a fair sum be also assigned her for the restoration of her devastated provinces. It surely did not seem unnatural that Germany, who declared war on France and lost, should be obliged to pay her creditors at least as fully as France's creditors expect to be paid, and that wanton damage done by Germany on French soil should be repaired by Germany rather than by France.

During the recent discussions in Paris, which were bound to play such a rôle for good or ill in the destinies of Europe, the French experts did not forego their liberty of action, were not hampered by any instructions from their government, and faithfully coöperated with their colleagues. They did everything in their power to dissipate difficulties and showed themselves conciliatory and moderate. They of course had to maintain the essentials of the position previously taken by our country and publicly proclaimed to the world. They made it clear that France was quite satisfied with the regular execution of the original Dawes Plan, particularly as it was about to result in an appreciable increase of the payments to France. We had no reason to wish for a change in the agreement of 1924. Germany, not France, was the pleader. The only thing we wished to emphasize was that we would not turn a deaf ear to reasonable proposals for replacing the old agreement with a new one, but that we could accept no plan which did not assure us the sums necessary to cover our own war debts plus a clear indemnity for war damages.

No one, I believe, contests our right to reparations. This right is established by the treaty which Germany signed and ratified; it is strengthened morally by the fact that war was declared against us at a time when we were bending every effort toward maintaining peace; but it is founded even more firmly, if that were possible, upon another fact about which there can be no discussion — imperial Germany's assault on the law of nations by its violation of Belgian neutrality. On our eastern frontiers the Kaiser's armies would have come up against our strong forts and our elaborate system of defenses. They would have beaten in vain against Nancy, Epinal, Toul and Verdun. They would have set foot on our soil only to be repulsed. It is because they violated Belgian neutrality that they were able to occupy Belgium, and it is because they occupied Belgium that they broke through into France by our northern frontiers and were able to advance on the Somme and the Marne and approach Paris. They should be doubly held to account, therefore, for the devastations which they committed — first because these devastations were a violation of the interests of respectable people, and secondly because they were the consequence of an invasion undertaken in defiance of international law and by breaking solemn international treaties. These are basic truths which our experts could not entirely overlook. However, they were careful to take into consid-

eration the points of view of Germany's other creditors, great and small, in order not to put too great a strain upon an indebtedness in which all have a share.

After prolonged vicissitudes, the conference of experts has at last reached unanimous conclusions and has handed the governments concerned a definite solution of the reparation problem. This happy end, after such a weary time of waiting, is due in large measure to the patience, competence and good temper shown by Mr. Young and Mr. Morgan, the American experts. Mr. Young, chosen at the beginning as president of the conference, has proved that he posesses both tact and impartiality, that he is a diplomat as well as a financier. A hundred times he intervened to dissipate misunderstandings, to overcome disagreements, to work out mutual concessions. For several months the fate of the experts' investigation hung in the balance. Many a time it seemed in the greatest jeopardy. One morning everything would be going well; that same evening everything would be going badly. The annuity figures, the term of payments, their conditional or unconditional character, the division of them between the creditors, the question of the suspension of payments and of transfers, the abandonment of pledges given under the Dawes Plan, the question of the international bank, the question of the railroads, the plans for mobilizing and commercializing the debt — these were some of the subjects which led to interminable debate. But the American experts, who had the highly ungrateful task of serving as arbitrators between debtor and creditors, were able to keep alive the general good will and to inspire everyone with a strong desire not to let the conference fail.

The French experts agreed that their country should assume a very large part of the common sacrifice, in order to demonstrate their conciliatory attitude and make possible the general arrangement which was finally reached. The program laid down will not indemnify France for even one-half of the sums which she has had to spend during these past ten years to restore the devastated regions. She will get nothing to indemnify her war victims — *mutilés*, widows, orphans. A great load will continue to weigh down the French budget. None the less, if Germany executes her payments to us regularly, we shall be in a position at least to pay our foreign debts punctually.

All-important are the moral advantages of this mutual settlement, which can be enormous. It promises to create a new atmos-

phere in Europe, to promote a feeling of confidence and trust, and to reëstablish a permanent basis of collaboration between the nations. It is to be hoped, therefore, that the governments will hasten to agree as quickly as possible to put the experts' plan into operation. This plan, be it understood, does not in itself constitute an international decision. It is nothing more than a recommendation. The duty remains for the governments to act upon it as they see fit. Let us hope that they will not mix political considerations with the financial questions which the experts have dealt with; to do so would only complicate them, and might even end by making them insoluble.

If the governments succeed in agreeing together in the same wise spirit that the experts have shown during their work, they will give world peace a great victory. This is the work of tomorrow. Let us not delay it an hour. Let us begin it with faith; let us carry it through with a high spirit of determination.

FOCH

By General Tasker H. Bliss

HISTORIANS and biographers often emphasize the greatness or deficiencies of their subject by a comparison or parallel with others. A statesman is another Bismarck, Cavour or Gladstone — or the reverse; a general is another Caesar, Napoleon or von Moltke — or the reverse. Pushed very far, such comparisons may be unfair to both sides. The merits of one are exaggerated and of the other depreciated. Greatness is always the subject of uncritical admiration or of hyper-critical detraction. Success is accepted as the standard of excellence. But the stature in history of Bismarck or the elder von Moltke is not lessened merely because the policies of both went down in the great defeat of 1918.

Marshal Foch was above this. No one felt more keenly than he the dreadful humiliation of 1870. But in his teachings in the École Supérieure de Guerre he showed a real greatness of mind in presenting the elder von Moltke's theory and practise of war as a model for imitation by the French General Staff. He knew that many causes may contribute to victory or defeat other than the relative merits of opposing commanders, and that the rarest qualities of military genius may be shown in defeat, — Lee in his last campaign in Virginia, Napoleon in 1814. In the last year of the war I and others heard him express admiration of his German opponent. When the armistice terms were in preparation, in speaking of the enemy's retreat he said, "It is being magnificently conducted." He judged the merits of his opponent by what he accomplished under adverse circumstances beyond his control. He himself showed the same genius in his retreat from Morhange in 1914 as he did in his last campaign in 1918.

The true standard of excellence is absolute rather than relative. By that I mean the comparison of the man, as it were, with himself, of the sum total of his life with the results of the successive periods of its development, to see whether its brilliancy is erratic or whether mind and soul have been imbued with a persistent ideal to which all their energies have been consistently devoted. Such a life is the summation of many ideas springing from one ideal. It suggests the French philosopher's definition,

"patience is genius;" it implies the ability and the disposition to take infinite pains, to add little to little until the sum becomes great. There have been many brilliant but erratic generals who failed in genius because they lacked that kind of patience.

But, after all, that definition only tells us what a man of genius, in any walk of life, does, not what he is. A certain man has a tireless industry and a capacity for taking infinite pains; he has the highest intellectual powers that might give him a conspicuous place in almost any pursuit, as Marshal Foch might have been a distinguished mathematician or engineer instead of a great general; he has an extraordinary faculty of original creation, a power of intuition which seems to act spontaneously, independently of conscious will, and which — at least in the case of a great commander — enables him to read the mind and soul of his adversary and to determine, as it were by inspiration, the moment and place for some action which reveals his genius but does not tell us what it is. Carlyle described such a man as "a great, deep soul, with the afflatus and impetuous tide of vision and impulse rushing on him he knows not whence." In one of his books — classics in a military library — Marshal Foch said that the foundation of successful leadership is a knowledge of history combined with experience. That means knowledge of the experience of others combined with one's own. Yet there are men in history, renowned for their military genius, without previous experience of their own and with little knowledge of history. He himself, without practical experience, revealed his capacity for command in 1914 as much as in 1918.

Many Americans know the personality of Marshal Foch — our soldiers in France, others who saw him when he visited the United States. They saw a face at times grave, stern perhaps, eyes that seemed to see something far beyond his immediate presence. How could it be otherwise with a face that reflected such memories, devastated fields of a land every inch of which he loved, ruined towns and cities, throngs of black-robed women and little children weeping for those he himself had seen die?

My first impression of him was in the blackest days of the war, in November of 1917. The American Mission had just arrived in Paris to take part in the great Inter-Allied Conference of eighteen nations. I called on him at the headquarters of the Chief of Staff of all the French armies. It was in the east front of the gray mass of the Invalides, in the center of which and not far away lay the re-

mains of the first Napoleon, beside which he himself now rests. Afterwards it seemed to me that the very air he then breathed must have carried some inspiring influence from that tomb. I had been told that I would meet a man grave, even stern, reserved with a stranger like myself, who would listen but say little. I found him in a room simple even to bareness in its furnishing — a desk, free of papers, at which he sat; a few chairs; a long table for the examination of maps, — scarcely anything else. Once or twice his personal chief of staff appeared for a moment from the only communicating room. No orderlies, no groups of officers, nothing indicated that this was the chief headquarters in a war of many nations, nor that a short motor ride from that room would bring one into the midst of millions of armed men close-locked in an almost daily battle, on the result of which hung the fate of this man's country who sat at the desk before me.

As I noted details during the subsequent conversation, I saw an erect, well-knitted and athletic man of medium height, perhaps five feet seven or eight inches tall, head well up, even thrown slightly back, above the squared shoulders; the whole figure seemed unconsciously to take an attitude expressive of firmness and resolution. He wore the regulation breast and waist belt of polished tan leather, puttees and shoes instead of boots and spurs, and was garbed in the well-known uniform of *horizon-bleu* with two rows of ribbons on the breast and no insignia except the tiny stars on the sleeve indicating the grade of major-general. The face was grave but not stern, with — as for a moment it seemed to me — a tinge of sadness, yet often lighted up with the flash of a peculiarly winning smile. It was darkened by exposure but with a slightly ruddy glow; smooth, save for grizzled mustaches, and deeply marked with lines of thought; nose aquiline, finely chiselled; lips full, firm and compressed; a powerful chin; sparse, graying hair; a forehead broad and high and, deep-set beneath high arched brows, large gray eyes. In repose, at least, they seemed gray, but in moments of deep emotion, especially when the spirit of contest was strongly aroused, they flashed with a tint of steel-blue. It was the face of both student and man of action. Its mobility of expression showed quickness of thought; and in conversation the short, staccato-like sentences, each word instantly yet carefully chosen and leaving no doubt as to his meaning, indicated that thought would be followed by rapid, unflinching decision. There was no sign, then or afterwards, even at times

of intense feeling, of that kind of mental excitement which blurs the faculties and obscures the vision of a distant goal by exaggerating momentary, harassing circumstances.

He asked about American preparation; examined our schedules of expected progress; said nothing about the details but touched on the key-points and spoke of the Allies' need of assistance, as he thought their man-power about exhausted. He expressed great admiration for the American troops he had then seen, and for General Pershing. Of this I had felt sure, for the contact of two such strong men could not fail to inspire mutual liking and respect. He had just returned from the Allied conference at Rapallo in Italy and he reviewed the military situation as it appeared after the defection of Russia and recent reverses in Italy. Neither then nor at any time thereafter in my presence did he or any other French officer touch upon the possibility of a commander in chief. It was a delicate subject, as all knew that in a war in France such a commander would have to be a Frenchman. So far as I know, the French left the matter for others to broach; as, in fact, at the last moment they did — a moment when there was none but one Frenchman in the minds of all. But he did speak of the necessity for an Allied General Reserve for use in the crisis then approaching. This afterwards became a burning question. His urgent recommendation was approved by the four governments concerned, but was not carried out. If it had been the disaster of March 21 it might have been another story. He did not speak, and I am sure did not think, of himself as the commander of this reserve, though he knew that the man who controls the general reserve in battle is in essential respects the commander in chief. As an expert tactician he was thinking solely of the reserve itself.

A few days later I saw the man of action. On November 29 the Inter-Allied Conference appointed several committees to report on important subjects, among them one on Maritime Transport. I could not learn that it was charged with any special duty to consider the need of tonnage to transport American troops, on which everything depended if we were to speedily increase our military effort in France. I then told General Foch of the grave situation which the highest British officers had told me in London might result in the spring of 1918 if America could not double her proposed effort, and which they were told was impossible without more tonnage than was then in sight. I asked him if he agreed with

the British view; he replied, with emphasis, that he did. I then said that I believed it was up to him to make this view known where it might bring results. "Good," said he, "let's go to it," and he then asked General Pershing and General Sir William Robertson, British Imperial Chief of Staff, to adjourn to a more convenient place for discussion. There in a few minutes was drawn up a memorandum,[1] signed by the four and transmitted to the proper quarter, which resulted in the Maritime Transport Committee subordinating as far as possible all other interests to the provision of tonnage for American troops. More was accomplished in an hour there than in the previous month's conferences.

Turn from this personal glimpse of the man to some of the salient features of his life. As the twig is bent, so shall the tree grow. His earliest training was in a home not unlike that of an ancient Roman in its almost stern simplicity. Parental authority was absolute and none disputed it. The bending of the twig showed that the authority was wisely exercised. Here he began to learn that intellectual discipline on which, in his later training of French general staff officers, he laid so much stress. By this he meant, not a blind subservience to the will of others, but such an absorption into oneself of the spirit and intent of one's commander that, when the moment for action comes, all the subordinate's physical and mental energy, all his concentrated will power, will be used in making good the purpose of that commander. It is this that in war often makes a bad plan succeed, while the lack of it as often wrecks the best one. He learned in early youth and always believed that this intellectual discipline is the result of moral training and development; that in this moral development of man's nature is the surest origin of loyal and intelligent obedience. This training made him a deeply religious man. He preached his views not in words but by the practise of his life. The Church was unfortunately associated with a political party. He disliked politics. He judged political leaders regardless of creed and solely as they were loyal and able Frenchmen. The only outward and public sign of his deep, abiding faith and loyalty to his beliefs was seen at the moments which he daily devoted to silent prayer, kneeling at the altar of some little village church wherever he happened to be, perhaps deserted and in the presence of no priest. Yet as parties adverse to the Church were generally in power he,

[1] Referred to in Mr. Clemenceau's letter quoted on pp. 308-9, Vol. III, "Intimate Papers of Colonel House."

like some other good soldiers, suffered in advancement. Slowness of promotion did not make him indifferent; he used it to study his way to success.

The underlying idea of the French method of elementary intellectual training is not the mere acquisition of facts to be stored in the memory but to train the mind to think about facts. In a related group of them the student is made to see the problem involved and to understand that its solution depends upon accuracy of analysis and a statement of the conditions in logical sequence. It was under this rigid teaching that Marshal Foch gained in his youth a fixed habit of orderly thinking which gave him the power of rapidly analyzing the facts observed on a line of battle or in the wider field of a campaign, and of quickly reaching a decision.

When his elementary training was completed he received his first commission, not long after the war of 1870–71. He then became a teacher of others but his own self-teaching never ceased. Passing through the regular grades, he attained some years before the Great War the highest rank then possible, that of a division commander. It was a period of quiet, persistent, non-spectacular preparation. He slowly built up a reputation among his own military comrades, but was little known in foreign services except, perhaps, to some British officers after the strengthening bonds of the Entente brought leaders of the two armies into closer contact. His abilities became gradually known to French political men, among them M. Clemenceau. In 1907, though the appointment was not popular with his party, M. Clemenceau selected him to command the École Supérieure de Guerre. His association with this school for the advanced training of staff officers, for a total of some ten years at different times between 1894 and 1907, left an indelible impression on the General Staff, and his teaching of the doctrine of war powerfully influenced the spirit of the army and the entire people when war came in 1914.

His active career had begun shortly after the French military system had been completely wrecked in the war of 1870. The spirit of the time demanded a new army to be raised under the German system of universal service. The army must be larger in order to train reserves composed of the entire able-bodied male population. France had been dismembered, leaving a new eastern frontier to be fortified. All this was work requiring years to complete and had to be accompanied by a modification of the railway

system and the creation of establishments to produce new and unlimited supplies of war material. For a time, therefore, war plans looked only to an almost passive defense, surrendering large areas to an invader and awaiting his approach in a selected defensive position.

This mental attitude of the army and the people gradually changed with the consciousness of increasing strength. The change was powerfully aided by the teachings of Marshal Foch to successive classes of officers at the War School. It is not known whether he took actual part in the preparation of the almost yearly war plans of the General Staff, approved by the government, which show this change; but they reflect his spirit. Yet the latest plan, the one with which France began the war, while it is instinct with his ardent spirit, certainly does not reflect his teachings. Some misunderstand the real meaning of what he taught. He was addressing himself to a people, a government, an army, that for years had thought it possible only to await attack within their fortresses and behind their field entrenchments. That was the very spirit of defeat in advance, and it was that which he sought to combat and overcome. Only those who understood him could rightly sum up his doctrine of war in his own oft-quoted words, "To make war is to attack and attack." Those who lay stress on such catch-words have said that he did not believe in the German doctrine of trying to force an enemy to conform to one's own strategy according to some plan worked out in advance. On the contrary, he taught that an initial plan, based on as accurate a knowledge as possible of all the conditions, was an absolute necessity. What else was the object of his constant injunction to "take the initiative" except, having a good plan of his own, to disrupt that of the enemy by a prompt movement and then to put his own into execution? None knew better than he that in war as in chess the contestant who forms the better plan is the one who can read his opponent's mind; otherwise the very promptness of his move to gain the initiative may best serve his opponent's plan. And none knew better that a good plan at the beginning of a war must be based on accurate deductions from the observed facts of the many preceding years of peace. He talked and wrote much about the "will to conquer." He did not mean that this will should impel a commander, on the exercise of whose judgment everything depends, to act unsupported by this judgment. But when the battle is on, whether by

deliberate choice or because forced by the enemy, then there must be such a will to conquer on the part of every one as not to admit the possibility of defeat. He believed that mere mental power untaught to use itself is of little practical value; the mind must be taught to observe quickly and correctly, to reason accurately, and to state conclusions clearly and concisely. To him that meant the essence of education. A commander must communicate his will in orders that cannot be misunderstood — the first essential if his subordinates are to be inspired with his own will to attain the object. But a commander's own spirit of attack must not lead subordinates to attack contrary to the spirit of his plan, because a local victory may wreck that plan This is what he called "lack of intellectual discipline" and which he abhorred.

In all his work at the École Supérieure de Guerre he strove for the formation of an intellectual *élite* in the leadership of the French army. It is said that opposition and professional jealousy impeded his efforts. Some thought him a military pedant, a man who could write entertainingly and instructively but who could not act, who could think wise thoughts and express them well in the leisure and seclusion of his library but who was not likely to think clearly and decide wisely in the emergencies of war. But apparently his critics were really few because when war came the high command of the army was saturated with his views and was assisted by a staff, largely trained by him, which had no equal.

When the French armies were concentrated in August 1914 on the eastern frontier, General Foch commanded a corps in one of the two armies on the extreme right which were to begin the execution of the initial war plan. This plan had been approved by the government the year before. Perhaps some day his Memoirs will reveal whether he had any part in its preparation. In the absence of such information it is difficult to believe that he was in any way responsible; though, following his own teaching, he subordinated himself to superior will and devoted all his fiery energy in the attempt to make it successful. The plan was based on three assumptions which violated his teaching that it ought to be based, if not upon exact knowledge, at least upon reasonable probability as to existing conditions. The assumptions were: first, that the French force would be equal, perhaps superior to the German; the latter in fact was larger by a good half; second, that there would be no invasion through Belgium; third, that the main attack would come through the Ardennes.

It is true that in a book published fourteen years before, embodying the substance of lectures previously delivered at the War School, he gave in detail his military reasons for believing that the invasion would not come through Belgium but through the Bavarian Palatinate as in 1870. He accepted the plan and the reasons for it used by the elder von Moltke in that year as an ideal model for use under the same conditions, and believed that the German staff was still guided by it. At the time he held these views they were well founded. The conditions in 1900 were the same which confronted von Moltke in 1870. In 1900 France had no assured allies. Foch's plan at that time had in view a war between France and Germany alone. While discounting its probability, he admitted the possibility of the invasion of Belgium. He therefore advocated, not the plan which was unfortunately afterwards adopted of stringing out a line of armies on a wide front, but of massing the armies for rapid deployment in either direction.

Some time before 1914 the politico-military situation had radically changed. Russia became an assured ally, England a probable one, with Italy neutral. On these new conditions the German plan was based; the French plan did not give them due weight. Russia's attitude foretold the attack by way of Belgium. The Germans allowed from six to eight weeks for the Russian power to be available. Therefore France must be beaten within about six weeks or the war would be lost. An advance from the Bavarian Palatinate meant a frontal attack on the line of French fortresses supported by their field armies, and involved a long delay. The Belgian fortresses and forces offered a weaker tactical obstacle. The true object of French attack was obviously the *time limit* of six weeks self-imposed by the Germans. Could the French have imposed on them a somewhat longer delay it is conceivable that the war might have ended within the year instead of dragging its bloody length over four more. It seems probable that Foch's plan of massing the French armies at the outset instead of deploying them would have made this possible. We do not know whether when the French Government approved the war plan in 1913 it made any change in what was proposed by the General Staff, in order to comply with the universal demand for the prompt occupation of the Lost Provinces. It is possible; but, if so, it again ran counter to Marshal Foch's teachings. He maintained that surprise was an essential element of such a plan. Yet the advance into Alsace-Lorraine was the very thing that the Germans

anticipated and prepared for, as the defeat at Morhange showed.

Marshal Foch's subsequent career is a matter of history for all to read. The great ability he had shown in the first unfortunate battle and retreat led to his being given command of the newly created army that held the French center in the following battle of the Marne. His brilliant service here placed him in command of the French troops, with the task of coördinating their movements with those of the British, in the "race to the sea." This ended in permanently blocking the German advance and saving the Channel ports. Then followed two years of trench warfare, at the end of which political intrigue relieved him for a short time from his command, until in May 1917 he was appointed Chief of Staff of the French armies. In November of that year he also became the military representative of his government on the Allied Supreme War Council, then just created. It was on his urgent recommendation that this Council ordered the formation of an Allied general reserve to meet the approaching crisis of the war. He would have been the virtual commander of this reserve. Army commanders, who would have to contribute divisions, did not understand what initial disposition he would make of it and raised obstacles which could not be surmounted up to the time of the great disaster of March 21. It had been to prevent this very disaster, which in discussions of the situation he had predicted would occur somewhere on the line, that he had demanded the formation of an independent reserve. And it was this disaster which made him generalissimo. After that there was no longer any question of a reserve because he could then do as he liked. This however may be said; had the reserve been created in time to do what he intended it to do the crisis of March probably would not have developed to the point when a generalissimo became necessary in the minds of all.

It is not to be supposed that as Allied Commander in Chief he made no mistakes. That can be said of no one. But it must be remembered under what limitation he worked. The first Napoleon, no matter how many foreign troops he had under him, was a dictator liable to no possible interference from any government. Marshal Foch's position was far more difficult. Political leaders limited his powers by a proviso giving national army commanders a right of appeal to their respective governments in any case which they might consider an extreme emergency. This was a political necessity and he accepted it without question. The

British people and government would probably have vetoed — or caused a delay that amounted to the same thing — any order removing a considerable part of their army from its position between the enemy and the Channel ports; and so with the French in respect to the position of their army and Paris. As he so often said after the war, he commanded by persuasion. If he could not persuade he had to yield. This may explain — probably nothing but his own Memoirs will ever show — the unpreparedness of the Allies to meet the German "drive" of May 1918. In the final campaign there was some criticism of seeming delay in taking advantage of what were apparently favorable opportunities of attack at one point or another. But he allowed nothing to interfere with his ultimate plan of a final simultaneous drive of all the armies from assured points of departure which would turn the enemy's flank as well as break his front. This brought the war to an end before his plan in its entirety could be executed.

Marshal Foch became supreme commander at a moment when, as an English historian has said, "The General in chief had been found; but on that Tuesday morning it looked as if presently he might have no armies to command." During the seven months that followed, in which he directed the movements of six million men in an almost continuous battle with a still very powerful enemy led by skilful and resourceful generals, he won the reputation, which has already gone into history, of a great general. I believe also that these months showed him to possess that unteachable ability to foresee the future — to read his opponent's mind — in a moment of emergency to instantly perceive, and with unflinching resolution to seize, the right time and place for decisive action — to inspire others with the spirit of his own will as though it had been their own — which will give him in history a place not only with generals of great technical ability but also with those endowed with the rare and undefinable quality of genius.

FEDERAL RESERVE POLICY: ITS INTERNATIONAL IMPLICATIONS

By Franz Schneider, Jr.

THE policy of Central Banks, and the international implications of what they do, plainly have become matters of intense public interest during the past year — and not, unfortunately, altogether in a manner to promote sound judgments and just conclusions.

In the United States the policy and performances of the Federal Reserve System have become the subject of controversy in financial circles, on the floors of Congress and in the press. The debate has been acrimonious and the System clearly has lost prestige. On the one hand, it has been accused of exercising arbitrary power in an attempt to depress the stock market; on the other, it has been criticized severely for following too timid and hesitant a policy. Congressmen have declared that our central banking system is being operated not for our own good but for the convenience of England; while in London one school of observers has declared that the Bank of England was forced to advance its rate because the Federal Reserve authorities would not act to control their domestic situation, and has asked, "Why should we be the catspaw that removes American chestnuts from the fire?" J. M. Keynes publicly regretted that the Governor of the Bank of England was unable (so he assumed) to persuade the Federal Reserve Board to reduce its rates during last February, and hoped that the Governor at least secured an understanding that American discount rates would be raised no further. At the very same time other Englishmen complained of a "lack of coöperation" by the Federal Reserve authorities in refusing to raise rates sharply and promptly in order to crush speculation and so bring a return of a more normal money market. Meanwhile, the Bank of England's stock of gold having been brought down close to the minimum, the Bank of France, because of its huge sterling and dollar balances, holds a whip hand over the London money market; and European central banks generally have been forced to advance their rates because of high call money rates in Wall Street. In addition, the reparations experts have envisaged a new bank for international settlements that shall provide better machinery for coöperation between existing central banks. Central

banking is plainly a matter of acute international interest.

In approaching the subject we may do well to recount briefly certain fundamental changes in the situation that occurred during the war period. When the war closed the world had been forced off the gold standard. The United States had been transformed into a great creditor nation with a surplus of capital and the Federal Reserve System had been created and put into operation. The world-wide post-war inflationary wave, and the consequent deflation, gave the banking authorities of all countries an abundance of concrete financial problems that pressed for solution. The economists were busy with theories. Many of them, misreading the implications of the quantity theory of money, proclaimed, during the inflationary wave, that commodity prices were firmly established on a new and permanently higher level. These theorists were entirely discredited by the events of 1920 and 1921. Another school advocated premature revaluation of currencies. Others came out strongly for "managed currencies". They believed that central banks could and should control commodity prices. They advocated the abandonment of the gold standard and the stabilization of prices through regulation of the volume of money in accordance with the movement of statistical indices. Strongly opposed to the "managed currency" school were the realists who put their trust in the time-tried gold standard. The views of the realist group were re-phrased in the report of the Cunliffe Committee whose recommendations were followed in restoring specie payments in England.

Governor Montagu Norman of the Bank of England resolutely advocated the restoration of the gold standard, and found a ready collaborator in the late Benjamin Strong of the New York Federal Reserve Bank. These two, with the eventual aid of other central bank heads, labored steadily and successfully for the return to gold and are entitled to the gratitude of the world for their vision, wisdom and energy. They would have none of the "managed currency" doctrines. Actually they managed currencies during the period of restoration; but they did so in order to restore the gold standard and thereby reduce management of currencies to a minimum. They fought a "war to end war" of their own. They worked to restore the prewar situation in which free money markets were interrelated and correlated by the free international movement of gold. They labored to restore a situation in which central banking would be as nearly as possible auto-

matic; in which the demand for and supply of credit in the various money markets would be regulated by the free play of money rates and the free movement of gold. They realized the shortcomings of human knowledge and judgment and put their reliance in the workings of the law of supply and demand.

The United States has the distinction of having been the first country to return to the gold basis after the war. With remarkable courage the Treasury Department raised the embargo on export of the metal on June 7, 1919. With praiseworthy fortitude it watched $400,000,000 worth of gold flow from the country in the ensuing twelve months. This action gave the world an excellent lead. One by one the important countries of Europe fell into line. What might be described as the spectacular climax of the program for restoration of the sound money basis throughout the world came in the last half of 1927. On July 29 the Kansas City Federal Reserve Bank reduced its rate to 3½ percent; and this action was followed by all the other regional banks within two months. In addition the system bought bills and government securities freely; by the end of the year it had increased the supply of its credit at the disposal of the money market by approximately $500,000,000. Under these circumstances a vigorous gold export movement was started that ran from September 1927 to June 1928, and resulted in a net outflow of approximately half a billion dollars worth of the metal. By this action the restoration of the gold standard in France and Italy was accelerated while the gold position of several other countries was materially strengthened. At the end of 1928, few of the principal countries of the world remained on a paper money basis. In this respect, the policy followed was a spectacular success. It must be noted, however, that what actually was secured in many of the countries was a gold exchange and not a real gold standard. It must also be noted that the large-scale injection of credit into our money market during the autumn of 1927 was a daring move and naturally stimulated activity in the stock market.

With the beginning of 1928 Federal Reserve policy was reversed. During January the System withdrew about $200,000,000 from the money market by the sale of securities. Discount rates were moved up from 3½ to 4 percent. Stock market activity slackened; the Reserve banks stopped selling securities and the Governor of the Federal Reserve Board made a reassuring statement before a Congressional Committee. The rest of the first

seven months of the year was featured by a great revival of stock market strength and by two additional half-of-one-percent advances in discount rates. Brokers loans increased rapidly and the Board, inaugurating its "warning" policy, failed to achieve its ends. The firm touch of Benjamin Strong, soon to die, already was missed; and months were to pass before his capable successor was to be installed as governor of the New York bank.

In August another change of policy became apparent. The System, which had been trying, fruitlessly, to secure contraction, began to buy acceptances heavily. Before the year ended, one of its representatives told the bill dealers, in intimating that the Reserve Banks' ten-year subsidy of the bill market had ended, that in order to protect the bill market during the autumn the System had put credit into the market $100,000,000 in excess of commercial requirements. Naturally the bull party in stocks welcomed this assistance. The stock market rose to new high records and the Federal Reserve System ended the year extending credit aggregating approximately $1,900,000,000. This represented an increase of $300,000,000 during the year and was the largest amount of credit extended by the system since 1921. Clearly 1928 was a year of Federal Reserve failure. Aiming to secure a contraction of credit and a damping down of speculative activity, the authorities actually allowed their resources to be drawn on in even larger measure and at the same time had to watch the greatest year of stock market activity on record. Having lost the vigorous leader who had guided the System since the post-war inflation, the Board embarked on a futile "warning" policy which provided a convenient basis for attacks by the System's enemies and which invited controversy.

With the start of 1929 it was apparent that Strong's death and the delay in appointing his successor had furnished the Reserve Board, elements of which had been jealous of Strong's leadership, with an opportunity to exert authority which it, or some of its members, would not allow to escape. The "warning" policy was continued, with increasing ineptitude. In addition it became clear that the Board was not prepared to allow the Reserve Banks to employ the classic method of advancing discount rates to control the volume of credit. Instead it substituted a policy of "direct action" — pressure on member banks to reduce existing loans on securities and to deny fresh loans of this kind. This policy apparently went so far as to indicate to

member banks that they could not use the rediscount privilege if they were making call loans on securities. The Board apparently had persuaded itself, or a majority of its members, that it could keep money cheap for business and so keep business going up, and at the same time make money dear for the stock market and so make the stock market go down. A substantial liquidation in brokers' loans (which had increased approximately one and a half billion dollars in the last year), and a curbing of speculative activity, evidently were the objects of the policy.

Again the results were very different from those the Board anticipated. Literal application of its direct action policy in the Chicago district brought a one-day panic on the Chicago Stock Exchange that was reminiscent of Berlin's "black Monday" when the same policy was tried there, and sufficiently indicated the dangerous possibilities of the policy. However, credit was obtained from other sources and the situation at Chicago was restored. Meanwhile from the start of the year the System steadily reduced its holdings of government securities and acceptances purchased in the open market, confirming its abandonment of the ten-year subsidy in the bill market. This abandonment constituted the bright aspect of the situation.

The result of these developments was a fantastic call money market with rates fluctuating between 6 and 20 percent, and a time money market with rates rising higher than at the peak of the post-war inflation, although the reserve ratio of the Federal Reserve system stood at approximately 75 percent as against about 40 percent at the earlier period. Another result was a severe strain on the foreign exchanges. This forced a general rise in foreign bank rates and started an influx of gold which resulted in a net gain of some $145,000,000 during the first five months of the year. Indeed the effects of the deflationary policy were more disconcerting to foreign money markets than to the stock market, which after suffering a sharp break when 15 percent call money first appeared rallied back to fresh high levels, although, when allowance is made for new listings, on a diminished volume of trading. The high call money rates proved far more damaging to the foreign exchanges than higher rediscount rates would have, and attracted capital to the call money market from all over the country and from foreign countries. As for brokers' loans in New York City, a moderate decline of $368,000,000 in March and April was followed by fresh advances that brought the mid-May

total back within $228,000,000 of the peak. Meanwhile trade and profits in industry reached record proportions and a pretty clear demonstration was had of the fact that the stock market cannot be counted on to decline because of high call money as long as business continues on the up-grade. The System did succeed in reducing the volume of its credit employed by about $700,000,000 during the first five months of the year. Although part of this contraction was seasonal, by mid-May the volume had been brought down to about $1,200,000,000 or to approximately $200,000,000 less than that of mid-May, 1928, and to about the average level, since the post-war deflation, for that time of year. But it failed to drive down stock prices or to obtain any substantial liquidation in brokers' loans.

An interesting and important question raised by the experiences of the past spring is that of the scope and seriousness of the disease which our credit doctors have set themselves to cure. No one claims that the disease, or supposed disease, involves anything but the stock market. Admittedly there is no inflation of commodity prices, no loss of efficiency in industry, or any other convincing signs of the business congestion which indicates the approach of a crisis. Business admittedly is in a remarkably healthy condition. With regard to criticism of the stock market, there is on the one hand the quick assumption that the large increase in brokers' loans in New York City is a reflection merely of an unprecedented increase in speculative activity on the Stock Exchange, with its corollary that the high call money rates are purely a result of that speculation. This school of thought is greatly impressed with the magnitude of the rise in stock prices as suggested by the movement of spectacular individual stocks and by the "averages." It considers self-evident the proposition that there is no longer any rational relationship between stock prices and underlying values. It refers positively to a "diversion" of credit from business to speculative purposes.

On the other hand it is pointed out that the increase in brokers' loans in New York represents to a considerable extent a rapid increase in listings of additional securities on the New York Exchange; and it is a fact that in four years the number of shares listed has increased 50 percent. This, it is held, corresponds to a legitimate change in the ownership of American industry and in the method of financing it. It also is pointed out that another part of the increase is due to whatever justified advance in prices has

occurred because of the striking growth in size and earning power of American enterprises during the past several years. As for the rise in stock prices, it is pointed out that the movement of the "averages" is somewhat misleading because they are heavily weighted with "leading" stocks that have risen much more than average; in fact, the president of the Stock Exchange has stated that if all listed shares are taken, the average share increased in price only 18 percent in 1928 and only 66 percent in the four years 1925–1928. With regard to the relation between prices and values, it is pointed out, and with considerable justification, that the critics know little about values — that they have made little study of values of shares of individual enterprises. As for a diversion of credit to speculative purposes, the reply is that no commercial demands have gone uncared for and that it has been the relative lack of commercial demands for credit that has supplied brokers' loans with an opportunity to act as a safeguard in providing safe employment for surplus funds and so of avoiding the more dangerous inflationary possibilities involved in the great expansion of Federal Reserve credit in the autumn of 1927. As for speculative activity being responsible for the rise in money rates, defenders of the stock market declare that it is the Federal Reserve System's contraction of credit and its discrimination against stock market collateral that is responsible.

Just where the truth lies in this matter is difficult to determine. An impartial and scientific examination of the various aspects of the problem still seems to be lacking. The extravagant claims of some of the "bull" operators are foolish. On the other hand, some of the Federal Reserve pronouncements reflect a strong bias or even resentment over the System's failure to have its way, while some seem propaganda more than reasoned statements of facts. Other critics of the market have introduced a moralistic note into the discussion which fails to recognize the economic functions of speculation and which assumes that speculation in stocks is on a lower plane than that in real estate and other forms of business. However, most well-informed persons agree that the question of the height of stock prices is not of evidential value in fixing banking policy. The prime criterion is whether or not there is a dangerous absorption of credit in speculative loans, or an absorption that is detrimental to general business.

On this point the evidence is not conclusive. The mere fact that brokers' loans placed in New York City have risen sharply

leaves the question open, as it fails to take account of transfers of loans from other districts to New York when new shares are listed and of the change in the method of financing American business in favor of stock issues. The argument really comes down to the claim that there is too much money in brokers' loans rather than that business is being deprived of funds. It is admitted that the member banks as a whole have not been diverting their funds to the call money market; the year's increase in brokers' loans is almost entirely accounted for by the increase in the money placed in the market for the account of "others." In fact, the member bank statements do not furnish evidence of inflation. Perhaps the best-sounding argument that has been advanced by the critics of the situation is that the increase in brokers' loans represents money that would have been deposited in the banks and money against which no reserve is required. But the idea that these brokers' loans are a potential bank liability is not a convincing one. The president of the Stock Exchange maintains, and some bankers join in the view, that the new money in brokers' loans is capital as distinct from bank money. The president of the Exchange also maintains stoutly that the brokers' loans are financing industry as truly as any other form of loan. In any event, it seems clear that the official policy of discriminating against brokers' loans, with the resultant high rates for call money, has served to attract funds to this market from all over the world.

Judging from the behavior of the stock market itself, one would conclude that the extent and seriousness of current speculation has been exaggerated by its critics. The market has been subjected to severe tests both in the way of high money rates and of sharp declines (as on the 8¼ million share day of last March); and has acquitted itself well. A tendency to disorderly liquidation, such as would be expected if there was a preponderance of ignorant and weakly-protected speculators, has been noticeably absent. Quick reactions involving considerable declines in prices have not brought on continuing liquidation but have been followed by a diminution of activity and a tendency to rally. As a matter of fact, brokers have lifted their margin requirements for customers progressively during the last year or two until they are now at relatively high levels. Thirty percent is now a common general requirement and fifty percent is required on the leading speculative issues. These increased requirements correspond to the very conservative margins that banks now require from

brokers on their call loans. Whatever its size, the present speculation probably is the best-backed one in our history.

Even more important than an exact understanding of the existing situation is a clear conception of what does and what does not constitute sound central banking policy — both as to aims and as to methods to be employed in controlling credit.

Certainly the "warning" method of attempting to control credit has proven a complete failure during the past year. The result is not surprising because in theory the method has little to recommend it and much to condemn it. As employed by the Federal Reserve Board it has consisted partly in speeches by officials and partly in the issuing, as press releases and with more or less preliminary publicity, of extracts from essays on credit conditions contained in forthcoming numbers of the Board's Monthly Bulletin. Neither the speeches nor the essays have had much to recommend them as regards clearness of thought, consistency or point. Instead of contributing to the System's prestige they have decreased it. Meanwhile these speeches and essays have "written a book" and so provided the enemies of the System, and the demagogues, with a convenient record on which to base attacks. They have helped greatly to make the System and its operations a matter of public controversy. They have been and are likely to continue to be an embarrassment to the System. One cannot escape the conclusion that the way to conduct a banking business is through banking operations — by the management of discount rates and portfolios — and not through the newspapers. An excellent example to follow is that of the Bank of England, which goes quietly about its business, acting vigorously when necessary and never talking in public. One is tempted to say that in central banking, as in many other fields, "silence is golden." The publication of comprehensive statistical statements of fact bearing on the condition of finance and trade is well within the functions of central banking authorities; but the drawing of inferences from these facts in public would better be left to others.

The "direct action" policy of the Reserve Board is as unsound as the "publicity" policy and raises much more dangerous issues. Reference has been made to its panic-producing possibilities. If applied vigorously enough it could precipitate a stock market panic of first-rate proportions. It cuts squarely across the principle that money should always be available — at a price. It substitutes the principle, as far as stock exchange collateral is con-

cerned, of no money at any price. It destroys the right that goes with the ownership of property of being able to borrow on that property. Nothing like it was contemplated in the framing of the Federal Reserve Act. The power it represents is a most dangerous one to be assumed by a politically-appointed board. In addition, it discriminates against one of the most liquid forms of bank investment. And, as a practical matter, it has failed to achieve the end sought — the liquidation of brokers' loans. This attempt to starve out the stock market has failed because the high rates forced in call money have attracted capital from all over the world. It also has failed because business has maintained so high and profitable a rate of activity — which is the other object that the Board had in mind. Not until the end of May, when misgivings began to be felt as to the business outlook, and when weakness in farm products had become acute, did the share market show vulnerability.

This experience with the "direct action" policy confirms the classic theory that central banks can best exercise a useful influence by applying their efforts to control the total volume of credit, and its price, rather than by trying to control its distribution. Money and capital are too fluid, and human judgment is too fallible, for a central banking organization to be able to direct the relative flow of funds into the different branches of business. The law of supply and demand and the natural processes of adjustment and compensation would better be left to perform that function. The idea of attempting to make business and stocks move in opposite directions is an artificial and unworkable one. It may arise from a disposition to be too considerate of business, or from a bias against the stock market, or from both. If business activity and profits are high, and if signs of a business recession are not apparent, strength in stocks must be expected. On the other hand if speculation really is excessive, there is a presumption that the pace of business is very rapid and that a higher price for money and for business purposes is in order. Under normal gold standard conditions, as business becomes active money naturally becomes dearer and finally acts as a curb on both the stock market and business, producing the cyclical recessions that have a purging and cleansing effect on both. The net conclusion is that our central banking authorities would be well advised to go back to first principles and use their discount rates and portfolios if bank resources are being unduly drawn on and credit abused.

However, granting that the discount rate policy embodies the correct method of credit control, the question of when and how sharply rates should be advanced remains. For example, during the past winter one wing of the discount rate protagonists was positive that rates should be jumped progressively and quickly to 8 percent or higher, if necessary, in order to bring down the stock market and secure liquidation. The theory was that a sharp quick purge would kill off speculative spirit and so permit an early lowering of discount rates and a return of cheap money. In reply to the suggestion that a major liquidation seemed unlikely unless business declined, this school held that in such an event rates should be put up until business suffered. To take this attitude would seem to imply a great deal of confidence in one's own knowledge and judgment. It implies that one knows, even in the absence of unhealthy symptoms in general business and of encroachment on bank reserves (the System's ratio was fluctuating around 75 percent), that the time had come to give the country a set-back. It is reminiscent of the attitude of the advocates of managed currencies.

A more natural and reasonable method of managing the discount rate would be to move it up with reference to the demands for Federal Reserve credit. Thus as business became more and more active money would tend to become firmer and demands for Federal Reserve credit would increase. Under those circumstances the Reserve banks properly would lift their discount rates in accordance with conditions in the open money market and to prevent their resources from being drawn on unduly. In this fashion they would retain control of the money market — which is something they have failed to do under the policies of the past year. They would also free themselves from the danger inherent in attempts to make money inordinately cheap for business and so of promoting an unnatural expansion of business, which is the thing that promotes unreasonable speculation.

In addition, it is highly desirable that the Board abandon its attempt to initiate and direct the policies of the System. The Board should realize that its proper function is that of a supervisory and regulatory body to review the actions taken, after due deliberation, by the directors of the Reserve banks. The Board should leave to the Reserve banks, which are familiar with local credit conditions and which are conducting banking operations, the initiative as to the appropriate measures to be taken

to control credit in their districts. It should withhold approval of changes in rates voted by the directors of the regional banks only with the greatest hesitation and reluctance. If the Board were to continue its attempt to dictate the operations of the Reserve banks, which the Federal Reserve act designed as autonomous institutions, the directorates of the banks might as well be abolished and the System frankly recognized as a highly centralized organization operated by a politically appointed board at Washington. Most of the troubles of the past year have, in fact, arisen from the Board's assumption of active authority over the Reserve banks and from the unsound and meddlesome policies which it has adopted. The principal banks themselves have displayed a capacity for sound leadership that has been thwarted by the Board. A return to the normal function of the Federal Reserve System and to the classic policies of central banking should resolve any present difficulties.

In reviewing the international activities and influences of the Federal Reserve System since the war, we find that in the first instance they were to the highest degree constructive. The sound principle of the gold standard was adopted and a great coöperative effort was entered upon to put the gold standard in operation throughout the world. Effective aid was extended to foreign countries that desired to return to gold payments. At the same time the position of the United States as an exporting country was improved. As for the credit expansion of the autumn of 1927, it was at its worst a well-intentioned mistake; at its best it was an exaggeration of a proper effort to hasten the normal course of economic events. Quite possibly the wiser policy would have been to wait until Europe was able to command the gold through the equation of exchange. The point is debatable.

The hesitations and the further credit expansion of 1928 were misfortunes from both the domestic and international standpoints; they illustrate the dangers inherent in unsound policies. During the present year there has been an unfortunately distracting concentration of attention and energy upon the struggle between the Reserve Board and the Reserve banks over policy and upon the campaign against brokers' loans and the stock market. While occupied with these issues, the System has been withdrawing credit on a scale comparable to that of the 1927 expansion. The total volume of credit extended by the Reserve banks in mid-May was, we have seen, $700,000,000 (or 37

percent) smaller than at the close of 1927. What is even more pertinent, it was $200,000,000 smaller than in mid-May a year before, and this despite the fact that business was considerably more active than at the earlier date.

This is deflation. Its effects are seen in the imports of gold, which have not had their normal effects because of the deflationary policy, and in the behavior of the foreign exchanges. Recent marked weakness in commodity prices probably also is more than a coincidence. One cannot help wondering how far the authorities intend carrying this deflationary policy. If it is the Board's intention to retrace all the ground covered in the autumn of 1927, further downward revision of the domestic general price level and further gold imports seem inevitable. Such an inflow of gold would be precisely what the Federal Reserve authorities two years ago set out to reverse. Continuance of the deflationary policy also would restrict further our granting of foreign credits, which aid in the reconstruction of Europe and stimulate our export trade, and would place additional strain on foreign money markets and so curb world trade. Bearing in mind the great international settlements left in the train of the war, such as reparations and Allied debts, an active deflationary policy in the United States certainly seems ill-suited to the needs of the world. In addition, a large-scale injection of Federal Reserve credit in 1927, to be followed by an equal deflation in 1929, cannot be regarded as a contribution to stability in world finance and trade. Such a performance would put the Federal Reserve System in the position of rushing from one extreme to the other and of exaggerating instead of diminishing the fluctuations in financial and business activity. It may be hoped that the authorities will keep in sight the broader aspects of the problem; that they will not be unduly distracted by the emotional reactions raised by the stock market and brokers' loans controversies; and that control of the money market will be regained through a transition to a sound rate policy unaccompanied by further deflationary activity.

And, finally, one may hope for a general return to the real gold standard as distinct from the gold exchange standard, and so to that more nearly automatic working of central banking machinery which will relieve central bankers of their present excessively heavy responsibilities and which will diminish the dangers arising from the fallability of human judgments.

OUR HAITIAN PROBLEM

By A. C. Millspaugh

AS a result of acute manifestations of chronic political instability in Haiti, United States troops were landed at Port au Prince on July 28, 1915. Since that time a special relationship has existed between the United States and Haiti, the legal basis for which is provided in the treaty made on September 16 of that same year. Meanwhile the organization and functioning of the American effort in Haiti has been defined and extended, quite necessarily and legitimately, by interpretation, mutual agreement, and Haitian legislation. Thus, the Haitian Government agreed not to enact any legislation without the prior approval of the Government of the United States. Again, since the aims of the treaty can be carried out only as funds are conserved and made available for constructive projects, the Financial Adviser has been recognized as vested with authority to veto proposed appropriations and expenditures.

The general policy of the United States toward Haiti was summed up by Mr. Hughes at the Havana Conference as follows: "It is our desire to encourage stability in the interest of independence. . . . We would leave Haiti at any time that we had reasonable expectations of stability, and could be assured that the withdrawal would not be the occasion for a recurrence of bloodshed. Meanwhile we are endeavoring in every important direction to assist in the establishment of conditions for stability and prosperity, not that we may stay in Haiti, but that we may get out at the earliest opportunity."

To establish conditions of permanent stability and at the same time to respect the sovereignty of Haiti, to prepare the Haitians for independent self-government and then to give it to them — these are evidently our purposes and obligations. It is not intended in this article to question the legality or the practical and moral justification of the intervention. Neither is it intended to criticize what has been done since 1915 or what has been left undone. Criticisms aimed at the past without regard to the present or the future are not likely to be constructive. It is proposed therefore to speak of our action in Haiti not as a failure or a complete success, for it is neither, but as presenting a difficult but fairly definite problem which, due to its special conditions, requires clear

understanding, sympathetic examination and speedy treatment.

Nominally the Government of the Republic has remained sovereign and constitutional. Disregarding momentarily the treaty and the American officials, the Government of Haiti is thoroughly centralized in the President of the Republic. On May 15, 1922, Louis Borno became President for a four-year term and in 1926 he was reëlected for a similar period. Outstanding among Haitians for intelligence and public spirit, he has consistently cooperated with the treaty officials. There should be no misunderstanding, however, with respect to President Borno's actual position. The Constitution of 1918 provides that the authority to choose the President and to make laws shall be vested in a National Assembly consisting of a Senate and a Chamber of Deputies both elected by unrivesal and direct suffrage; but it is prescribed that the legislative authority, pending the reconvening of the National Assembly by the President, shall be exercised by an appointive Council of State. President Borno was elected by the Council of State; since 1922 he has himself appointed the Councillors; and he was reëlected in 1926 by the body which he appointed. In the exercise of their legislative function, the Councillors are subservient to the President; and the latter's acceptance of a project of law has generally insured its enactment. With regard to administration, Haitian ministers, appointed by the President, ordinarily look to him for direction even in minor administrative matters. Furthermore, the constitutional amendments voted in February 1928 give the President a substantial hold on the judiciary, which previously was independent.

American authority in Haitian affairs is effective though less visible. Through the functioning of the treaty services and the High Commissioner's right to veto legislation, American officials exercise practically complete power as regards the maintenance of order, over financial, economic and sanitation matters, and over the program of educational expansion; indirectly they possess a strong and potentially decisive influence in other fields.

Nominally, the treaty officials are responsible either to the President of Haiti or to their respective Ministers; in practice, they are directed by the High Commissioner who is at once an appointee of the President of the United States, the diplomatic representative of the United States Government, and the Commander of the Marines in Haiti. He not only vetoes but also drafts Haitian legislation. He negotiates contracts with American

companies, determines the administrative attitude to be assumed toward them by the American treaty officers, and interests himself in the details of claims, the collection of revenue, road construction, and in agricultural, educational, and sanitary matters. American treaty officers have little official contact with the Haitian executive and their relations with the Ministers have necessarily become perfunctory or formal.

On its face the arrangement is characterized by division and confusion both of authority and responsibility; in practice it leads to a relationship between the President of Haiti and the representative of the Government of the United States which emphasizes the authority and responsibility of the United States in the domestic affairs of Haiti. This anomalous relationship, in effect confusing or fusing diplomatic representation and administrative authority, is unique in American international experience but bears an interesting resemblance to Great Britain's position in Egypt from 1882 to 1914. In both cases an illogical arrangement for governing a country was adopted in order to preserve the forms of sovereignty in the country governed. In both cases, the governing country either did not fully realize in the beginning the nature of its task or hesitated on account of public opinion to adopt thoroughgoing and efficient measures.

Our record under the treaty is one of substantial material accomplishment. Order and security have been established and maintained. The finances have been reorganized; revenues have increased; the public debt has been refunded and rapidly reduced; claims have been settled by orderly process; and the Treasury is now protected by an unobligated surplus which approximates 50 percent of the ordinary budget of the state. Exports have shown a gratifying increase. As a result of control over current expenditures, substantial sums have been made available for constructive projects. Through the Public Works Service, highways have been constructed and maintained, telegraph and telephone communication organized and extended, public buildings erected, wharves built, lighthouses and buoys installed, drainage and water-supply systems constructed. The Public Health Service has notably improved the sanitary conditions of the country. These accomplishments are important and in some respects remarkable. Nevertheless, they can be fairly appreciated only by considering them in the light of our ultimate objective in Haiti — the establishment of enduring peace and stability.

In order that representative self-government may function in Haiti there obviously must be in the country a controlling opinion possessing the proper standards of public morality. In the United States, anything resembling a personally-conducted executive revolution is unthinkable because of characteristics which have slowly been developed in a preponderant section of the population. In Haiti, political power has been in the hands of a comparatively small class, the so-called *élite*, whose interests are particularistic and who in general look upon office as an opportunity for personal power and personal profit. The conception of social responsibility or of public office as a public trust is quite foreign to their minds. The Haitian masses are timid, credulous, and helpless, as one would expect a primitive and ignorant people to be. They have many attractive personal qualities and they are easily governed; but they are also easily manipulated. The negro race, however, has demonstrated its potential capacity for improvement, and cannot be condemned as innately incapable of satisfying the mental and moral conditions of stable self-government. Evidently, Haiti's political structure must be broadened and strengthened at its base. There must be more persons equipped by mentality, civic conscience and moral courage, not only to exercise governmental functions, but also to restrain those who may attempt to usurp political power. Under the most favorable conditions, any such psychological change, even in a part of the population, will be slow. In order that such favorable conditions may exist there must be a patient process of economic and social reconstruction. As Reinsch wrote in 1905: "It is only as we modify the structure, principles, and customs, of native *societies*, that we can exert any lasting influence upon individuals. . . . There is a life-purpose, unconscious though it may be, even in the lowest forms of civilization. This we cannot simply suppress by rough-shod measures, and substitute for it, point-blank and indiscriminately, the purposes and methods of our own civilization. Indeed, we can do no more than, by gradually substituting new economic forces and new social motives, to foster a development in the general direction of our own civilization."

The economic phase of the problem must be considered first. With the overthrow of the French colonial system the Haitians won individual freedom and national independence; but they destroyed the organized and large-scale agriculture from which

the country had derived its prosperity. Plantations were cut up, in part distributed among former slaves and revolutionary soldiers, in part retained as state property. Agriculture and rural life, generally speaking, deteriorated to the primitive level and remained there. The resources of Haiti are almost solely agricultural, and probably 85 percent of the population is rural. Landholdings are small, numerous families living on garden plots of an acre or less, while farms of even moderate size are exceptional. The population (estimated at more than 2,000,000) is dense, amounting to about 200 per square mile in the entire country and probably exceeding that of any other West Indian, Central American, or South American country, except Porto Rico. It is estimated that about one-third of the area of Haiti is productive, or approximately 3,500 square miles — only a little more than one acre of utilized land per capita. If the cultivable area were twice that now productive and if it could be wholly utilized by the present population, there would still be only about two and one-half acres of land per capita to support a population which is almost wholly dependent on agricultural resources.

Except for the *élite* and a comparatively small merchant and professional class, poverty, according to American standards of living, is universal. Nevertheless, the primary wants for shelter, clothing, and even food are satisfied in the climate of Haiti without much human effort. The peasants, living lives which to us seem indolent and shiftless, are enviably carefree and contented; but, if they are to be citizens of an independent self-governing nation, they must acquire, or at least a larger number of them must acquire, a new set of wants. From the point of view of citizenship, their average standard of living is at present wholly inadequate. The requirements of a higher standard of living can only be provided by the individual out of increased income or by the government out of increased revenue. In 1927–28 the revenues of Haiti were perhaps 20 percent of the national income. Taxation by the central government in proportion to income is apparently about three times as heavy in Haiti as in the United States. The power of the government to spend money for projects which contribute to stability, and the capacity of the individual Haitian to purchase for himself the essentials of better living, are rigidly conditioned upon an increase of national income. Evidently, any significant increase of income can only be obtained through the encouragement of agricultural production.

The fertile soil of Haiti will produce more abundant and more valuable crops when it is more intensively cultivated; and cultivation can be extended to areas not now utilized. Among the hills, tiny plots of ground are well enough for supplying local food needs, but in the plains the mere improvement or extension of peasant agriculture will not attain the ends of sound policy. In the first place, a reliance on small farming presupposes an intelligence and an incentive on the part of the peasant which he does not now possess. In the second place, small farms and gardens under individual management are not adapted to the production of tropical exports. Individualistic small farming precludes the use of capital, of irrigation, of skilled management, and of efficient marketing. These are necessary if Haiti is to export its products in competition with other tropical countries.

It is estimated that at the present time the Haitian Government owns scattered tracts of land aggregating about 3,700,000 acres, almost half the total area of the country. Though much of this land is mountainous or otherwise of little agricultural value, it also comprises important cultivable tracts, especially in the north where in French colonial times the plantation system was highly developed, but where since the revolution the lack of native initiative has left extensive tracts uncultivated and unoccupied. In other parts of the country considerable areas of both state and privately-owned land lie idle, overgrown with brush, unproductive, and in part unoccupied. The state lands have been placed under American administration, and legislation enacted since 1915 has removed most of the opportunities for oppression and injustice which previously existed. Under present law squatters on state land are invited to become tenants and enjoy a preference over other applicants for three months from the date of the invitation; and only in case they refuse to become tenants can they be evicted. Tenants on state land are required to pay a rental which is fixed at 6 percent of the sale value of the property, substantially less than current rates of interest in Haiti on real-estate loans. Tenancy is permanent so long as the nominal rental is paid.

Haiti is overpopulated and has a large landless population. The landless consist in part of itinerant squatters who are in no sense cultivators or even settled occupiers. What this class obviously needs is agricultural employment. Nothing will be gained by agrarian legislation designed to transfer to private

ownership state land now under lease, and little will be gained, except in selected regions, by an attempt to increase the number of peasant proprietors. Under Haitian conditions, ownership of land neither insures beneficial use nor contributes appreciably to political stability.

The most important means of increasing national income and thus taking an initial step toward stability is by the establishment of large-scale agricultural undertakings in appropriate regions. The development of this process need not necessarily be through foreign-owned plantations. In many cases it may come about by the organization of Haitian producers for the better cultivation, preparation and marketing of their crops. Foreign-managed plantations are advocated in Haiti primarily for the productive use of unoccupied state lands. In no case should a special privilege be accorded to foreign capital as such, and nothing savoring of dispossession or spoliation should be countenanced. The Haitians themselves are not unfriendly to foreign capital. At the present time there are a number of American agricultural enterprises in the country. Only two operate under concessions granted since the intervention; and the only privilege enjoyed by these companies is a preferential right to lease state lands.

Much has been said of the Haitian squatter. For more than sixty years the laws of Haiti have made it impossible to acquire title to state land by prescription or adverse possession. Now, in order to meet unfounded criticism that could be easily refuted by giving publicity to the facts, American officials are seriously proposing to amend long-established law so as to provide for prescription against the state. This might easily amount in practice to an indiscriminate transfer of lands from public to private ownership without regard to sound agricultural policy. It does not seem likely to contribute either to production or to stability. Assuming that the squatter has property rights — although in Haitian law he has none — he is less likely to benefit than some shyster lawyer or clever city resident who makes plausible allegations of "possession." Incidentally, too, the measure will give the courts an unlimited opportunity for corruption. There is no doubt that a law for the adjudication and registration of land-titles, has long been needed, but with only seven years left before the treaty expires the expediency of enacting such a law today seems highly questionable. Obviously, the execution of the law can scarcely be started during the treaty period. It will be expen-

sive; it will arouse suspicion and opposition; its benefits will be remote; and its immediate effect may well be to intensify prejudice against American administration. It would seem that the productive use of private property now unoccupied could be stimulated by a land-tax, particularly a tax bearing solely or more heavily on uncultivated land; and such a measure might well have immediate consideration. During the past year provision was made by law for the substitution of excise taxes in place of the archaic export duties which have too long burdened Haitian agriculture, but though the excise taxes are now in operation the Haitian Government and American officials unfortunately are nevertheless understood to be contemplating the retention of export taxation.

But when all is said and done, the increase of production is only an initial means to a remote end. Although no census has been taken, it is certain that Haiti is already overpopulated even relative to its potential production, and population is apparently increasing. It is not impossible that with increasing production and improved sanitation a rising birth-rate and falling death-rate will tend to keep the masses near the level of primitive living. Even though the per capita income should increase, there is no positive assurance that augmented buying power will be used so as to contribute to good citizenship and political stability. If increases in income are employed for the satisfaction of new wants which bear no real relation to individual or social welfare, the Haitians will become no more fitted for a stable national existence and, worst of all, are likely to lose their present attractive contentment. We possibly shall have fostered a "development in the general direction of our own civilization;" but it may conceivably be toward those features of our civilization which bear the least relation to political capacity and national stability. Believing that the cause of instability in Egypt was the population's deficiency in character, Lord Milner observed: "For this the only true and permanent remedy is to elevate the moral standards of the masses by means of a statesmanlike educational policy." Increased income alone may be of little real advantage to the Haitian masses. Literary education for primitive people creates more mischief than benefit. Evidently the need in Haiti is for a strong and judicious educational effort which, while training the people to work and to produce, will also train them to better individual and social living.

When Americans took up their task in Haiti, they found a body of educational legislation and numerous schools. The laws, however, were never completely enforced. Government schools were inadequately financed, improperly housed, incompetently administered, and taught by underpaid and untrained teachers. Literary education was emphasized. About eight years after the intervention arrangements were made to establish vocational schools and to train vocational teachers in the central school of agriculture. These institutions are under American administration. In the development of a system of vocational instruction, the policy is to eliminate or "absorb" the Haitian schools, and to speed up this process the latter have been denied any material increase in appropriations. Until recently, however, the Department of Public Instructions was permitted to increase salaries and other current expenditures by means of savings effected when Haitian schools were reorganized, consolidated or abolished. Hereafter, it is understood, the Haitian schools are to be denied any financial means of improving themselves until they are absorbed.

According to the best figures available there was in 1924–25 a total enrollment in the schools of Haiti, including the ten American-directed vocational schools, of about 75,000 children, of whom 646 were in the vocational schools. As the average attendance was from 65 to 75 percent of the enrollment, it may be estimated that less than 15 percent of Haiti's youth were actually receiving elementary instruction. Indeed, it is probable that in 1924–25 Haiti was educationally one of the most backward countries in the world. The total expenditure for education in Haiti increased from 1924–25 to 1927–28 at an average annual rate of slightly less than 20 percent of the expenditures in the first-named year. In 1927–28, the Haitian Government assigned to education about 12 percent of its total appropriations for all purposes.[1] In that year there were 56 new vocational schools; in the present year, according to latest official figures, there are 65. It is believed that there are at least 400,000 children of elementary school age in Haiti. In July, 1928, 107,551 children were reported as enrolled in all schools — government secular, communal, church, private, and vocation — with an attendance of 82,187. Increased enroll-

[1] The average salary of 1,734 teachers in July, 1928, was $163 a year; the 81 teachers in the American-controlled schools received an average of $464 a year; the others, $147. There are many Haitian teachers who work for $5.00 or $6.00 a month.

ment was only in part attributable to the establishment of vocational schools. Enrollment in these schools rose from 646 in 1924–25 to 6,636 in 1927–28, an increase of 5,990; but enrollment in other schools grew in the same period from 74,496 to 100,915 an increase of 26,519. The increase in population during this period is estimated at not less than 60,000. The increase in attendance attributable to the vocational schools therefore was apparently not more than one-half of the increase in the school population. In January 1929 the total enrollment in vocational schools was reported at exactly 7,000, representing an increase from last year to the present of only 364 pupils. The vocational schools are to be credited, it would seem, with an average increase during the last five years of 1,400 enrolled pupils per year.[1]

There are valid reasons for the slow expansion of education in Haiti. Economic development required prior attention. The omission of education from the treaty was temporarily an obstacle. Furthermore, it is wise to build schools only so fast as trained teachers can be provided for them. Practically the only institution for the training of teachers in Haiti at present is the central school of agriculture, with an enrollment of 155. An addition to this institution has been recently completed and this is expected to bring its capacity up to 400 students. As this institution has a three-year course it may eventually succeed in producing 100 new teachers a year, or sufficient to instruct perhaps from 4,000 to 5,000 additional elementary pupils a year. Of course, the expansion of facilities for the training of teachers, like the whole school system in general, is limited by the financial resources available, but a careful survey indicates that it is now possible to finance vocational schools and adequate teacher-training institutions so that from 8,000 to 10,000 additional pupils a year may be enrolled, six or seven times the average increase of enrollment during the last five years. This can be done, it is believed, without curtailing any other essential activity. For any such substantial educational accomplishment, however, there should be strict

[1] During the last few months a fund amounting to about $600,000 previously reserved for irrigation has been appropriated for the construction of industrial schools in Port au Prince. Expansion is thus momentarily accelerated; but, while the new institutions may enroll approximately 6,000 children, they will supplant Haitian schools which at present enroll about 4,000. There is much to be said for modern school buildings in the capital; but it would seem that the relatively large sum available might have been better spent, at least in part, on rural schools in localities where such are urgently needed.

coördination of all expenditure projects in the form of a carefully prepared long-term expenditure program.

Many serious questions call for consideration in connection with organizing and administering a system of education. Unfortunately they cannot be even summarized here. But it must be pointed out that unless the organization of public instruction is in some way brought into a coherent whole, unless legislation is revised and perfected in accordance with sound and workable principles, unless the Department of Public Instruction is prepared to assume eventually the administration of all the schools, there is grave danger that, when American control is removed, education in Haiti may suffer a quick reversion to the pre-intervention type. The problem is difficult but it does not appear insoluble. The adoption of the principle of vocational education was unquestionably sound; and it may be hoped that the vocational schools will stimulate production and in other directions contribute to national stability. Enough has been said to indicate the need of a thorough investigation on the ground by a competent and impartial commission of experts, with a view to the formulation of a well planned coördinated program of economic development and educational expansion.

There are many who believe that our task in Haiti has been completed, or at least that it will have been completed by the time the treaty expires. Until the occupation has actually terminated, and perhaps for some time thereafter, it may be impossible to prove that we have failed or succeeded in our effort to give Haiti stable self-government. History suggests that stability may arrive in a country when many of the theoretical conditions of stability are absent. In Haiti, stability may come because of our efforts, regardless of them, or in spite of them. The facts, however, do not justify optimism. It is doubtful whether we have yet appreciably strengthened or broadened any stabilizing element in the Haitian agricultural or mercantile class. We have not materially increased literacy or, what is more important, economic, social and political capacity. A candid consideration of all the facts leads to the conclusion that it may not be possible before the expiration of the treaty to create in Haiti the conditions which are believed to be essential to stability. The general opinion of competent observers is that if we withdraw in 1936 political conditions after our withdrawal will soon be as bad as before the intervention. We have sincerely endeavored to encourage sta-

bility in the interest of independence but unless something unforeseen happens there can be in 1936 no "reasonable expectations of stability."

Let us then return for a moment to the political and diplomatic aspects of the problem. We are being pressed, not merely to preserve the forms of independence, but, in view of the early expiration of the treaty, to restore to the Haitians a larger share of administrative responsibility and more of the realities of constitutionalism. Haitians should of course be made ready to take responsible posts in the administration; but technical training is not sufficient. So long as economic, social and political conditions retard the development of character in individuals, so long will Haitians be unfitted for the efficient performance of responsible administrative duties. Even if a sufficient number were fitted to succeed Americans in the various services, there exists no guarantee or probability that these qualified men would be retained by the politicians. No legislation, even the most rudimentary, has been enacted for the purpose of protecting meritorious employes. Outside the treaty services, the spoils system reigns unchecked; and when American control is removed the entire personnel of the government will be left exposed to the worst sort of political demoralization. Under existing conditions, to be sure, an elaborate civil service law would probably be impracticable; but a scale of salaries and a few simple checks on appointments, promotions and dismissals might sensibly improve conditions so long as financial control continues. When financial control ends, reasonably efficient administration must await political stability.

The Haitian constitution, embodying representative government based on universal manhood suffrage, was evidently copied from the constitutions of politically more advanced nations. Under the most favorable conditions, such a form of government is difficult to operate. To make things more difficult in Haiti government is highly centralized, and though with primitive peoples political experience naturally should begin in their local communities, the tendency since the intervention has been toward further centralization. As the treaty organization lacks control of the communes, it has undertaken numerous commendable local enterprises, but though these confer material benefits on the people they tend to weaken community feeling and community initiative. In the meantime, we have made the office of

President more powerful and more attractive. The very efficiency of the constabulary renders it more dangerous as a potential instrument of revolution. Administrative offices from top to bottom are still the spoils of politics.

With regard to the legislature, however, an interesting change is impending. President Borno announced in 1928 that he would retire from the Presidency in May 1930 and would hold an election of the National Assembly in January of that year. What this announcement really means will be made clear by the events of next year. The new situation may have one advantage: if an independent legislature is established, the appearance of dictatorship by collusion may be partially avoided. Nevertheless, if the coming election is controlled by the Government or by the treaty organization, no practical good will be done to the Haitian people or to Haitian-American relations; whereas if the election is to be free of either sort of control it will be no less farcical and a number of new complications will also have been introduced. In the latter event, faced with a new President who is no longer the foster-child of the occupation, and with a double-barreled legislature responsible neither to the President or to the treaty organization, those who are called upon to do constructive work will find their situation radically changed. The Harrison régime in the Philippines illustrates the danger of a premature extension of representative institutions.

At this moment the Haitians are probably less prepared for self-government than the Filipinos. But in Haiti we have under tutelage an already independent nation; our qualified mandate bears a time-limit; and the treaty, which provides our opportunity, has only seven years more to run. We are thus entering a transitional period in our Haitian enterprise when it is necessary to take stock and prepare for the future. Our economic policy requires decision and energy. The educational situation demands expert investigation, a coördinated program, negotiation, organization, and legislation. Financial reorganization is still far from complete. The judiciary continues incompetent and corrupt. Time is drawing short and funds are limited. We must decide what shall be done and what shall be left undone. Each decision will involve a careful balancing of advantages against possible disadvantages. It is not too early now to begin shaping our course so that whatever action may be necessary in 1936 may be taken without repeating the distasteful incidents of 1915. While this

does not in any way necessitate any further compromise of our constructive work, it is a serious question whether we can safely initiate long-term undertakings — for example the adjudication of land-titles — until there is assurance of the continuance of efficient administration for some time after 1936. It is possible even that the school-construction program should be postponed until education as a whole is organized on a practical, efficient, and reasonably permanent basis. In any event, nothing will be accomplished by abdicating our treaty authority or further prejudicing its exercise. Sound financial administration is the cornerstone of effective reform, and we shall gain nothing — certainly not the respect of the Haitian people — by sacrificing essential principles of financial control out of deference to the wishes of Haitian politicians.

It is our plain duty, moreover, to give to the Haitian people the benefit of those scientific methods which we apply to our problems at home. It is surprising that we should have started a complicated constructive task — economic, sociological, political, and administrative, — a task bristling with difficult questions — without a preliminary expert survey. Administrators on the ground may or may not be fitted for such a survey. However capable they may be, the presumption is against them, because the prestige and authority of their personal administrations may be involved. With or without such a survey, it is still more surprising that we should never have formulated any long-term and properly coördinated program of action. Efficiency presumes, furthermore, that adequate and accurate facts and statistics shall be collected and published, so that progress may be measured and publicly appraised. It is not too late — perhaps it is even more essential now than ever — to apply in Haiti the scientific methods which are fruitfully employed in other fields.

If we are to overcome the mounting difficulties of our problem and meet satisfactorily the peculiar demands of the transition period, we shall have to reconsider very carefully the spirit and form of our relationship to Haiti. For a short time the problem was largely military. It is now almost exclusively civil — financial, economic, social, educational, political. The problem has not been solved; it still awaits solution. Means of solving it are not and can not be military; they are diplomatic and administrative. The Department of State is not organized or equipped to dictate the details of the government and administration of

Haiti, and presumably it has no desire to do so. Any relationship which emphasizes direct domination by the Government of the United States over the domestic affairs of Haiti is not likely to be helpful during the next few years. When this domination bears a military aspect it becomes particularly unfortunate. Entirely regardless of the personal equipment of the present High Commissioner, the writer believes that the appointment to Haiti of a civilian representative of the United States Government would be distinctly beneficial and may be considered from many points of view absolutely indispensable. It is necessary, of course, that the treaty organization should be properly supported, held to a coördinated program, and properly supervised; but it seems a reasonable presumption that civilian activities can be more appropriately supported, coördinated and supervised by a civilian than by a military officer.

The United States has in Haiti a group of administrators, many of them exceptionally efficient and all of them honest and devoted. The example of such American officials to an imitative people like the Haitians should be in itself a powerful reconstructive and popularizing influence. To say that it is not is merely to state a fact and not to imply a criticism. There is naturally some color prejudice against Americans and as a group we shall never be personally loved. At the best, it is difficult, even with the utmost possible tact and sympathy, to win the attachment of an alien people. On such a matter, it is as hard to come to particulars as it is to define genius; but it is clear that Haiti will offer during the next few years a rare opportunity for great diplomacy.

While it will probably appear necessary to continue American assistance to Haiti in some modified form after the expiration of the treaty, it would be futile to attempt at this early date to forecast what should or can be done at that time. Non-political direction of the constabulary and of the entire financial administration is of prime importance. It is possible that, not only in these departments but also in public works, public health, agriculture and education, Haiti, like many other independent nations, may willingly employ American experts. No one can doubt the desirability of their continued employment for many years; but it is equally desirable that the renewal of our assistance should be accepted by Haitian opinion and that our work should be so planned and so conducted that, in the words of Mr. Hughes, "we may get out at the earliest opportunity."

THE LATERAN TREATIES: A STEP IN VATICAN POLICY

By André Géraud
("*Pertinax*")

ONE of the commonest criticisms made of the recent Lateran Treaties is that they have bartered away the Papacy's temporal power and the grandiose imprisonment in which it had been prospering for nearly sixty years, in exchange for advantages which are of concern to the Italian Church only — in a word, that the Vatican has sacrificed its universal mission to its peculiarly Italian interests.

Those who share this view fall into the error of taking the Concordat of February 11 as an isolated document unrelated to the numerous similar agreements made by the Roman Church in our times and in a remoter past. As a matter of fact, the general policy of the Church is not susceptible to narrow limitations in time and space. More than any other policy it holds its past experience in mind, making each new step follow logically from those before it, coördinating each measure rigidly with all its others. The concordats of the nineteenth century show the power of the Church advancing in the face of all sorts of difficulties and vicissitudes toward the formulæ which the Church is using today; and the concordats of the twentieth century reveal that the texts which Mussolini has recently signed for Italy translate into action purposes already realized by the Church in divers other places.

In the course of its history the Papacy has never been able to monopolize civil power save over very small territories or during very brief periods. More often threatened than threatening, more often encroached upon than encroaching, it has frequently been obliged to come to terms with secular states regarding the application of canon law. Hence a long series of concordats running back as far as the twelfth century (Concordat of Worms, 1122), which were made possible only because the Church was willing to abate its claims in the temporal sphere and the state its claims in the spiritual sphere, in order that both might negotiate on a footing of equality regardless of the reservations each might be making as to theory.

These concordats naturally varied. They depended on the

forms of government prevailing at the moment in Church and in state, on the relative strengths of the contracting powers, and on the types of social organization that happened to be in vogue. Obviously the same contracts would hardly be adaptable to feudal or near-feudal systems, where bishoprics and abbeys constituted parts of the temporal state; to centuries of royal absolutisms, where the rulers behaved like little Popes and civil and political equality was unheard of; and to democratic eras, in which public authority is exercised by the fiat of an electorate or at least reflects movements in public opinion.

The French Revolution, for example, completely transformed the relations of Church and State; and since 1789 three different systems have been devised to regulate them. The first bears the stamp of Napoleon I. The second reflects the strain of the Holy Alliance under pressure from liberalism and nationalism. The third is now being formulated before our eyes as the expression of a Catholicism strongly centralized in Rome and developing a persistent methodical action at all points on its circumference.

II. NAPOLEON'S CONCORDAT

The Concordat of 1801, forced upon the Pope by violence and intimidation, was the work of a despotic nationalism determined to lay hold on religion in order to govern men more efficaciously. It gave Napoleon the political advantages of schism with none of the corresponding religious embarrassments. He retained the ancient rights granted by Leo X to Francis I (Concordat of 1516) — the head of the Napoleonic State is also "bishop exterior." But he repudiated all obligations whatsoever; and, still dissatisfied, rewrote the whole document to suit himself after it was signed, and began exercising not only the privileges actually yielded by the contract but those which he had usurped. Not to mention details of church control, Napoleon chose to legislate even on matters of faith and discipline: "I will have the religion of Saint Bernard, of Bossuet, and of the Gallican Church!"

Many provisos of this imperious document (but for the two invasions of France it would have eventuated in schism) fell of their own weight. The essentials, however, survived. Down to 1870 the governments of France, with perhaps four exceptions, named their bishops without previous understandings with the Papal nuncios; and in 1903, when M. Combes challenged the right of the Pope to withhold cannonical induction, he was only

asserting prerogatives which the Restoration, the Monarchy of July, the Second Republic, the Second Empire, had all enjoyed. It took the shortsightedness of the French Radical-Socialists in 1905 finally to break this powerful weapon of subjugation which had favored the development of a strong and original French Church, one peculiarly suitable to the French temperament and as different from the Gallican church of the eighteenth century as it was from our revamped church of the twentieth. However, there was something French, and something exceptional, about Napoleon's Concordat. Napoleon himself had to modify it for other countries. Some traces of its spirit may be found in agreements made by the Pope with certain Germanic States between 1821 and 1830. The laws passed during the Kulturkampf (May 1873) are also in the most drastic Napoleonic manner. But on the whole the Concordat died a natural death. The Church had regarded it as a makeshift. Its beneficiaries allowed it to lapse of their own accord.

III. THE CHURCH AND THE HOLY ALLIANCE

Most of the concordats of the Holy Alliance lasted at best a half century; but during that time they were quite the fad, and in the New World as well as in the Old. Church history knows some eighty concordats. Thirty of them fell between 1815 and 1862. By 1815 the old organization of the Church had succumbed under the tempest of revolution. In Italy, Spain, Portugal and Germany the property of the Church had been seized and monasteries abolished. Dioceses frequently failed to correspond with political frontiers. However, rulers everywhere now thought they needed the Church to keep liberals and patriots in hand. They therefore broke away from the institutions of Maria Theresa, Joseph II, and Leopold of Tuscany — from everything, in short, which (though with much more prudence and respect for tradition) had corresponded in the Germanic world to the French Concordat of 1801. In Latin America, especially, reconstruction went hand in hand with construction; but without any return to pre-Revolutionary models. These were seen to be too involved with feudal conceptions long since overpassed.

In the concordats in question there is a general resignation of the "bishops exterior" — notably in Bavaria (1817), the Two Sicilies (1818), Spain (1851) and Austria (1855). Indeed, putting forward the principle of legitimacy, the Papacy succeeds (in

1847) in striking a bargain with the government of Tsar Nicholas II, which had been the most hostile to the Roman faith. Württemberg and Baden also change their minds and submit. South America enters the same circle. Catholicism is proclaimed the "sole religion of the realm" in the Two Sicilies and in Austria. Spain proscribes "other forms of worship," and Ecuador "sects that are condemned." Venezuela too vouches for her zeal in protecting religion. Austria and Spain entrust censorship of books to the bishops. In civil cases, priests are subject to the jurisdiction of ecclesiastical courts in Austria, Bavaria and Piedmont. In criminal cases, the dignity of the cloth is safeguarded everywhere: sentences are served either in convents or in special prisons. The "right of refuge" holds good in Austria and Piedmont. Marriage is generally governed by canon law, the sacrament entailing all the usual civil consequences. Education passes under Church supervision in Austria, Bavaria, Spain, Costa Rica, Baden, and even (in 1886) in Montenegro. The congregations are freed of restraints; in Bavaria the state founds and supports monasteries. Spain (1851) gives salaries to the heads of certain regular orders. Tithes, or Church taxes, reappear in Hanover (1824) and in Ecuador (1890).

From the viewpoint of the Church all this might seem admirable. But there were "jokers" in it. The cage was spacious — it was none the less a cage. Solicitous to retain their control and to impose their will from above down, the governments clung to the right to nominate prelates. This was a basic leverage, the most efficient of all kinds of pressure, whether it appear in the texts as "patronage," as "right of legation," or simply as the "Irish veto." This prerogative allowed the governments to put their own creatures in the seats of ecclesiastical power. The one formula which the Church regarded as compatible with her independence and dignity — previous veto for cause — became the rule only in Russia. Even in Protestant countries, Prussia for example, the chapters were allowed to recommend only names approved by the secular power, and how vigilant the royal commissioners always were!

But the princes were not content to hold a grip on the hierarchy and therewith on the whole ecclesiastical body. Four of them, the Kings of France, Spain and Portugal and the Emperor of Austria, insisted on the "exclusive" — the right, that is, to interfere at pleasure in elections of Sovereign Pontiffs. As late as 1831 the

Conclave was held in session for forty-eight days because Spain would have none of Cardinal Giustiniani, nor Austria of Capellari.

And there was something even worse. Just after 1815, and again after 1848, the Church was able to regain something of its influence and prestige only by allying herself with the sovereigns against everything that smacked of subversion in the social and economic system. Despite appearances to the contrary, this was a noteworthy change from the old order. In the previous century religious privileges were blended in the mass of other kinds of privilege — there was nothing to single them out as objects of public criticism and partisan vindictiveness. Now Catholicism too often found itself isolated in the company of some reactionary throne, visible to all, exposed to every attack, and all the more so because, in the collapse of traditional society, Catholics tended to hold apart from all national particularisms in order to concentrate about the Roman Pontiff. Hence the brief and precarious existence of the best concordats — only those of Bavaria and Spain survived, the latter with some amendments. Pius IX signed his last concordat (with Switzerland) in 1869. That was the end of an epoch. When, a year or more later, Temporal Power itself collapsed, it looked as though the Papacy had been really crushed under the weight of adversity. In the 1870's the diplomatic activity of the Holy See reached its lowest ebb.

IV. THE REVIVAL OF PAPAL POWER

But after a breathing space of fifty years the astonished observer has to record one of the most remarkable revivals known to human history.

All the sagacity of a "diplomat pope," Leo XIII, was required to extricate the Church from its political isolation, and all the energy of a "religious pope" to cement the dogma and strengthen the organization of an institution shattered by its past tribulations. Leo XIII negotiated only three concordats, all unimportant ones; and Pius X one concordat with Serbia — still-born, as the date, June 1914, indicates. But under this apparent repose energies were accumulating, to burst forth under the pontificate of Pius XI. The event is all the more striking in that during the war the Apostolic See made a grave error in picking winners, so that Benedict XV seemed badly beaten at the time peace was negotiated at Versailles. No one denies that it was the duty of

the Papacy to place itself above the conflict of the peoples; and it is equally intelligible that the neutrality of a super-power should prove to be something much more difficult to manage than the neutrality of a nation among nations. But the Papacy had moulded its policy in anticipation of an outcome which failed to materialize. That was the misfortune of Benedict XV, as the diplomatic correspondence of the time shows.

And yet, what a recovery, what a revenge! How different the Catholic Restoration of the years 1919–1929 from the one which took place after 1815! Everywhere people turn to the Apostolic power. Conquerors and conquered alike are eager to ground their anchors in Rome: France, Bavaria, Portugal, Prussia. England herself decides to make her legation at the Vatican permanent. States that have annexed territory ask the Holy Father to help them in the task of absorbing their new Catholic subjects (Rumania, Jugoslavia, Greece). The newly created nations, Poland, Czechoslovakia, Latvia, Lithuania, Albania, remember that religion is one of the time-honored forces of civic consolidation. But this time it is not kings who call, but peoples themselves, speaking through their duly elected parliaments. In the year 1928, something unheard-of in modern times, three prelates of the Church were functioning as prime ministers of secular states — Seipel in Austria, Šrámek in Czechoslovakia, Koroshetz in Jugoslavia. Meanwhile Monsignor Kaas leads the German Center, and Monsignor Nolens the Majority in the Dutch Chambers.

All this is the very reverse of what the Church had feared from her bad guess in the war. Far from being among the vanquished, the Church found herself rather a member of that little group of conquerors — Poland and Rumania were the others — which were fortunate enough to profit by the ephemeral victory of the Central Empires in destroying Russia and by the permanent victory of the Allies in destroying Austria. The Church followed the destinies of the Hapsburg Empire during the tempest with the gravest concern; but she could never have imagined imperial Austria voluntarily surrendering the right to nominate bishops! Now she must see that the dismemberment of the two empires turns out to her gain. The national movements, after dismantling her policies, turn to her on bended knees: concordats with Latvia in 1922, with Bavaria in 1924, with Poland in 1925, with Lithuania in 1927 — concordats which can be called "Holy Alliances" only in a democratic sense, and which bring the Church ad-

vantages which a Holy Alliance proper would never have yielded. In fact these four concordats severally represent so many steps toward the liberation of the Church as a spiritual power, a liberation without parallel in the course of the preceding centuries.

Hence the great significance for the Church of the stipulations recently signed at the Lateran Palace. There a Great Power at last gave its assent to formulæ which hitherto had been accepted only by states of minor influence. These formulæ were not by any means improvised for the occasion; they gushed from the body of Church policy like a flood long compressed, after being painfully elaborated by Churchmen and ecclesiastical diplomats in discouraging days when the whole world seemed to be combining to crush the Holy See.

The Italian Concordat should be studied from this point of view and in comparison with the other concordats.

V. RECENT CONCORDATS

The Nomination of Bishops

In the important matter of the election of bishops, the process has been to take away initiative and choice from the secular power and transfer it to the religious power. *Eos libere nominat pontifex romanus* — thus the Code of Canon Law compiled in 1904 and promulgated in 1917. And the Vatican Council proclaimed the Pope the universal bishop and established in each diocese as it were a college of consuls, the one residing at Rome and called Cæsar, the other residing on the spot and called Bibulus. But Bibulus, henceforth, was to be Cæsar's man! The secular power retained only a right of challenge, the privilege of saying or refusing to say: *nulla osta, nihil obstat.* The procedure was first defined in an agreement made with the Governor General of Malta, in 1890. Year by year thereafter it gained in clarity. The challenge might be exercised only for political or civic reasons (Serbia, 1924), or in some cases only for political reasons (various post-war records with France, Latvia, Poland, Lithuania). Czechoslovakia obtained even less: she may interfere only for reasons "touching the security of the state, the constitution, or public order."

As for Mussolini, he has secured only the clause allowing the state to refuse approval for political reasons. Is the *nulla osta* which is satisfactory to him a real limitation of the Church's

freedom? No. The Church merely must be careful in her appointments, never exposing herself to what might be considered an affront. This is a complete reversal of the situation which formerly existed, notably in Italy, where the King of the Two Sicilies could pose as a virtual legate, and close the frontiers of his kingdom to any Papal envoy.

As for minor appointments, parish curates for instance, only Bavaria retains the *nulla osta* intact. Poland and Lithuania have it in a very circumscribed form. France, Latvia and Czechoslovakia possess no trace of it whatever. Mussolini is on a middle ground. Objection to an appointment made by a bishop may be filed within thirty days. The Italian Government may also prefer charges against an incumbent, to be tried before a mixed commission (the Polish and Lithuanian procedure). But there is no longer any question of secular "patronage," whether public or private, in Italy.

A sole limitation of Papal autonomy might be seen in the stipulation that ecclesiastical districts shall conform with national boundaries, even, as regards Italy, with provincial or administrative boundaries. But in such matters the Church has always tried to be accommodating, especially since the time of Leo XIII. There is nothing novel about these provisions.

Ecclesiastical Liberties

It is noteworthy that after imposing its will on a point so capital, the Vatican has not been called upon to pay the piper in some other way — for example in connection with protection and liberties granted by the state, or Church properties, or religious orders, or education. But nothing of the kind. The most favorable terms accorded the Church in the documents of the Holy Alliance survive in these recent concordats.

None of the concordats goes so far as the Italian one does when it declares that "the Catholic religion is the only religion of the state." Poland concedes merely what Napoleon conceded: that "the Catholic religion, as a majority religion, occupies a prime position in the State among the confessions legally recognized." On the other hand, after making this sweeping concession Italy steers clear of general principles and fixes details. She does not recognize convent-prisons for priests, as do Poland, Lithuania and Latvia. She keeps to "separate prisons" in so far as "imprisonment" is distinguished from "detention." As to marriage,

however, Italy goes back to the Austrian Concordat of 1855, making it an ecclesiastical question. Latvia is her only companion in this regard; Latvia even entrusts the keeping of vital statistics to the curates. Italy follows the 1855 model also in defining the "right of refuge," whereas Poland, Lithuania and Latvia recognize unlimited immunity to churches, chapels and monasteries. The recent concordats all tend to grant special protection to ministers of religion, allowing no recourse in the secular courts to individuals subjected to ecclesiastical discipline. Everywhere exemption from military service is conceded, the terms varying here and there.

Adding such concessions one to the other, a body of collective privilege is clearly detectable.

Corporations and Church Properties

The five concordats grant juridical personality to all religious bodies without distinction—dioceses, chapters, parishes, convents. They may develop, own, buy and sell like other legal entities, without hindrance from any special legislation and subject only to general corporation law and occasional restrictions on mortmain. Italy specifies simply that new foundations must correspond to actual religious needs of the population. The concordats lay down that for the present and for the future there are to be no special taxes on Church persons and properties. All the débris of the ancient regalia enjoyed by kings is tossed aside. For taxation purposes, religious enterprises are considered as being of concern in connection with state appropriations only in the sense that they are charitable and educational. Latvia, Poland and Lithuania exempt dioceses, seminaries and parsonages — everything that is not private income — from tax. Protection is granted (except in Latvia) from seizures, confiscations and requisitions.

In all periods of history clerical endowments have provoked highly disagreeable encroachments from the civil power upon the Church. The Holy See, while declaring itself sovereign administrator of the Church patrimony, yields when the storm is too violent but straightway returns to its steady course, reconstituting its holdings by all possible devices (dummy proprietors and the like). To allow the substitution of state subventions for real properties and endowments is only a temporary makeshift, for such things give the state too strong a grip on the clergy.

These preoccupations on the part of the Papacy appear in the five recent concordats in varying terms. Latvia promises salaries to Church functionaries and supports a cathedral, a bishop's residence, a seminary, and a college in Rome. Poland guarantees a scale of salaries based on the provisions made for state officials; she also will return the properties seized by Germany, Austria and Russia. Bavaria undertakes to support archbishoprics, bishoprics, metropolitan chapters, and cathedrals, meantime paying to the clergy incomes equivalent in modern purchasing power to those of which they were deprived by confiscations after the Peace of Lunéville.

In this regard Italy is much more compliant than anyone else, since she is dealing, not as the other countries are, with an ordinary bishop, but with the Pope no less, whose sovereignty she is recognizing. By the Political Treaty, she returns the Vatican City and a score of adjacent domains covered by divers immunities. In the Concordat she gives back the basilicas of Loreto, Assisi and Padua, resigns claim to the possessions on which Depretis laid hands in 1884, and subsidizes certain churches and chapels. Secularized churches will be restored. Church properties illegally constituted since the confiscation laws of 1866–73 are legalized, all dummies disappearing and titles being transferred free from tax. Mixed commissions will distinguish between such properties as have been devoted to public service (education, charities) and such as are to remain Church properties pure and simple.

In all this we have an example of quasi-restitution to which history assuredly furnishes few parallels. We should remember that as early as 1554, Pope Julius III was quitclaiming confiscated properties to the English Crown either in whole or in part. France is now the only country to which no general quitclaim has been given.

As regards administration there are signs of retroversion. Bavaria writes bluntly: "These properties will be freely administered by the Church;" and Poland and Lithuania follow suit. But the Italian Government asserts its right to audit all operations exceeding simple management. Bishops and minor church officers are therefore called upon to render accountings, even for properties left to them since 1866, and if they prove unfit their holdings may be seized subject to payment of revenue. However, the seven "royal economats" and the provincial "sub-

economats," which once supervised ecclesiastical properties, collected the revenues from vacant holdings, and distributed the funds derived from the "budget of public worship," are abolished. Nothing is left but the Department of Public Worship representing the Ministry of Justice in each court of reference, doubless to indicate that its function is rather judiciary than administrative. The three basilicas, the Propaganda, the Diocese of Rome and the Suburban Dioceses are, however, excepted from this rule; no limit whatsoever is put on their autonomy. To receive their share in the "Budget of Public Worship," which is designed to make up for any local insufficiencies, beneficiaries in the districts in question merely need to make declaration of their annual income, without any meddling from the state.

Education

It is in Bavaria that the Church makes the greatest gains in the sphere of education. Nine long articles of the Bavarian compact are devoted to the subject and nothing is left to chance. Religious education in the schools is under the supervision of the bishops. They have a right, moreover, to protest against anything offensive to the Church or to the religious sentiments of the pupils — and the authorities are required to heed such protests. Priests and monks may train teachers or themselves act as such. In some cases, even, their schools serve as public schools. In the universities of Munich and Würzburg chairs of philosophy and history are reserved for Catholics. Italy does not go so far. Like Poland and Lithuania, she merely prescribes that religious instruction, which is obligatory in the schools, shall be conducted by her ordinary teachers.

VI. THE NEW FORMULA

We are now in a position to grasp in all its amplitude the new formula governing the relations of Church and state which the Roman See is trying to establish. It differs from anything ever attempted in the past.

In the Middle Ages, Church and state were intimately blended and a great deal of effort was required to distinguish, for instance, investiture by the cross from investiture by the sceptre, or to tell where the domain of state ended and that of the Church began.

When the great monarchies came into being, Church and

state were still, if not mingled, at least intricately interlocked. Spiritual sovereignty, moreover, was still regarded as the indispensable complement of temporal sovereignty, and the kings, stronger and more systematic than the feudal lords had been, strove to amalgamate the two, some of them going as far as schism, others stopping at Gallicanism or its counterparts.

In modern times, as civil and political equality began to gain the upper hand, the two powers, temporal and spiritual, became separate individualities. And today numbers of the secular states have come to feel that their security and even their sovereignty are not bound up with the wielding of spiritual power. They consider religious forces, left to themselves, as beneficent influences upon peoples rather than as sources of weakness. They are no longer so much afraid of religion. In any event, the permanent "Romanization" of the Church hierarchy precludes any possibility of a return to ancient encroachments. The Church therefore is recovering the protection of the state without paying the price of the subjugations so common of yore. Her field of action, moreover, is enlarged. More and more she is being regarded as an independent body overstepping national boundaries and possessing a law and an inspiration all her own — an organization with which one may coöperate, but which it would be futile to try to lay hold of now that it no longer functions in isolated parts of the world. Thus the dream of the great Popes of the Middle Ages comes true, strictly limited, to be sure, in its political consequences, and put into action in a systematized way so that orders are transmitted and executed without capricious variations. No one would dream today of disturbing the course of a pontifical election for political purposes. Benedict XV and Pius XI were freely chosen in conclave, not because Pius X's *Commissum vobis* of 1904 had forbidden the Cardinals to submit to the slightest intervention of the Powers, but because the famous "Exclusive" belonged to a political and ecclesiastical era that had passed away.

Thus it has come about that during a total eclipse of Temporal Power, and while the Pope was enjoying very precarious tenure of his episcopal palaces, his power and his freedom have suddenly become those of a conqueror. In view of the astonishing increase of his spiritual prestige, it is easy to understand why His Holiness did not haggle very bitterly with Mussolini over a few square yards of territory across the Tiber!

The Lateran Concordat, therefore, cannot be regarded as an expression of the Holy See's Italian policy; it is a phase of Papal policy at large, aiming at the fullest possible development of the Church and her laws. It is an application to a particular case of a thought that would willingly find realization throughout the world. To be sure, if the Lateran Treaties stand the test of time, the Roman Church will be more firmly established in Italy than anywhere else. But Gioberti's dream of an Italy transformed into a sort of diarchy, with the Pope standing at the moral helm of the nation, would be vain today. The Papacy has too universal an outlook to rest content with merely local satisfactions, to neglect the whole in favor of a part.

WILL THE NEW CONCORDATS LAST?

But why should these new concordats not wear out as rapidly as those of the Holy Alliance? Do not the Italian and the Lithuanian concordats in particular show more than one point of resemblance to the older pacts?

There can be no question that the big dictator in Italy and the little dictator in Lithuania have been trying to bargain for the support of the Church. But as regards Italy at least, the Pope has been seeking an understanding not with a régime but with a nation. At the most he has given the Duce an opportunity to flatter a certain strong current in Italian public opinion. We are very far from the picture of two powers standing shoulder to shoulder before a common foe, as was the case in Spain in 1851 or in Austria in 1855. Pius XI has pushed his agreement through in spite of Fascism rather than because of Fascism. Indeed, if danger there be, it is that the Church may become too closely involved, not with Fascism, but with the Italian nation. In any event, the new concordats derive their vigor and their chance of survival from a much wider complex of forces, forces not confined in their operation to the particular nations here involved.

The decline of the old liberal doctrines regarding the relationship of spiritual and temporal powers can hardly be doubted. The modern state may be non-religious and in certain respects tyrannical. Nevertheless it becomes more and more evident that great freedom of movement must be allowed to groups and corporations, that certain useful forms of life become impossible if the law envisages only a dust-cloud of separate individuals. That is why a new notion of privilege is developing. Privilege

may be thought of as something allowed to one individual and withheld from another, though both render the same public services. Or privilege may be a recognition that to differing social services different rights may be accorded. This latter conception is destined henceforth to find greater and greater favor: for, after all, it is an essential of true equality.

England and the United States have never made concordats; but they long have offered much broader opportunities to the Roman Church than the continental countries, bound in the net of old ideas. This is because they have a sense of local autonomy and of corporate activity and think of religion as a public institution not to be handed over to politics. In principle any religious body whatsoever may organize in the United States when and as it pleases and without asking anybody's permission. To be sure, this good-natured tolerance would vanish if any particular church became overpowerful either through its wealth or through the influence it exerted on its subjects. But I observe that the apprehensions and difficulties experienced by Europe in dealing even with the most powerful spiritual organizations have never proved as serious as expected.

An interesting change has come about in England in the course of a century past. For three hundred years Roman priests had nothing but complaints to make of the omnipotence of the Anglican church, a state institution controlling honors, wealth, and all religious privileges. But religious equality has made its way in England; and the Anglican Church, far from harming other confessions, has proved to be one of their strongest supports by supplying the measure of what is permissible to each of them. Its ancient privileges — ownership of buildings, palaces, and rich endowments — are tending to become the common right of all faiths. Today Italian priests are remarking to those who are offended at the powers conferred on the Roman Church in regard to marriage, that, across the Channel, Catholic priests (to say nothing of Anglicans) have long been acting in church and vestry as officers of the civil state.

I mention these latter facts to show that, without our being too dogmatic about the future, the concordats of the new model have solid foundations in the present-day world and that the ecclesiastical liberties which they tend to recognize are likely to endure.

MR. ROOT, THE SENATE AND THE WORLD COURT

By Philip C. Jessup

IN 1907 the conflicting interests of large and small states, both requiring representation on the bench, prevented the creation of a Permanent Court of Arbitral Justice. In 1920, Mr. Root, a member of a Committee of Jurists appointed by the Council of the League of Nations, suggested a formula which reconciled these conflicting interests. As a result, the Permanent Court of International Justice, now commonly known as the World Court, came into being. In 1926 an apparent conflict of interests between the United States, not a member of the League, and some forty other states, members of the League and parties to the treaty creating the Court, prevented the United States from becoming a party to the Court treaty. The differences in this case turned upon the Court's function in rendering advisory opinions. Once more Mr. Root (serving again as a member of a similar Committee of Jurists) has suggested a formula which reconciles these conflicting interests or shows that no conflict really exists. The way now seems cleared for American participation in the work of this most effective instrument for the judicial settlement of international disputes.

The reservations adopted by the United States Senate on January 27, 1926, though communicated to the other Powers somewhat in the form of an ultimatum, in reality constituted an offer from the United States to lend its support to the Court on certain conditions. The fifth reservation grew out of the fear that the power of the Council and Assembly of the League to request advisory opinions might be exercised in a manner detrimental to American interests. But the other Powers — usually referred to as the Signatory States — feared that if they accepted the American offer unconditionally the United States might exercise its power to prevent the rendering of advisory opinions so as to destroy or cripple the functioning of what had proved a highly useful device. Until Mr. Root clarified the issue it was generally believed that the difference was one of substance; in reality it was one of procedure.

In the light of Mr. Root's part in the history of the World Court, and having regard to his personality, it is not surprising

that on his most recent mission to Europe he should have been received with the greatest consideration. The minutes of the fifty-fourth session of the Council of the League at which the question of American adherence to the Court Statute was discussed contain many references to the happy circumstance that Mr. Root was among those jurists who had accepted the Council's invitation to examine questions relating to the Court. The chairman of the Committee of Jurists, Mr. Scialoja — who at the time was also president of the Council — declared it one of the greatest honors he had ever received to be participating with Mr. Root in the work of the committee. The president of the Court, Mr. Anzilotti, hailed Mr. Root as the "spiritual father of the Court." Even more striking was the deference paid to the American statesman's views in the committee discussions. Mr. Root did not speak often; when he did his words were almost invariably accepted as final, and on several occasions when he had spoken in opposition to a proposition the chairman passed at once to the next item in assurance that the matter was settled.

In the present account only the fifth American reservation needs close attention. It reads:

> "The Court shall not render any advisory opinion except publicly after due notice and hearing or opportunity for hearing to all states concerned; nor shall it without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest."

The Senate also declared that these reservations must be accepted by an "exchange of notes." Secretary Kellogg accordingly wrote forty-four separate but identical notes to the States which had already accepted the Court Statute, and a copy of the reservations was also sent to the Secretary-General of the League. Naturally enough the recipients of Secretary Kellogg's note felt that they had a common interest in the matter, so that only twenty-three answered him directly and of these only five unconditionally accepted the Senate's conditions. Moreover, the states in question had become accustomed to a new method of conducting diplomatic business, a method which the United States has from time to time tasted by participating in the Pan American Union and in various international conferences, but which it still looks upon as a sort of exotic dish and not as a staple article of diet. The method is that of joint conference for discussing matters of common interest. Naturally enough, then, the

agency which those states have created to facilitate the application of the method, the Council of the League of Nations, called a conference of the Signatory States. The United States was asked to participate. But the United States declined, and the Conference met at Geneva in 1926 without the benefit of having an American representative present to explain what the reservations meant and how they were to be applied. Secretary Kellogg declared that they were "plain and unequivocal."

The first four reservations and the first half of the fifth caused little trouble, but the latter part of the last reservation was not as clear to the Europeans as it apparently was to the State Department. They suggested a compromise formula which was not acceptable to the United States. Their suggestions were set forth in a Final Act adopted by the Conference and embodied in a Draft Protocol. Twenty-four states eventually replied to Mr. Kellogg's note in the terms of this Final Act. These replies were received in the latter part of 1926 and early in 1927. For a time no further move was made by the United States.

Meanwhile the question whether requests for advisory opinions required unanimity or merely a majority vote continued to agitate the members of the League. The Assembly of 1928 adopted an innocuous resolution recommending that the Council make a study of the question when possible. At the same time, however, another resolution was adopted suggesting that in view of the fact that in accordance with the Statute the entire bench of the Court must be reëlected in 1930, the time was ripe for an examination of that Statute in the light of eight years of practical experience. Responsive to this resolution, the Council on December 13, 1928, decided to invite a group of expert jurists to undertake this task. Mr. Root was among those invited.

The Committee was called to meet in Geneva on March 11, 1929, but before its sessions opened two events of major importance occurred. On February 19 Secretary Kellogg addressed notes to the forty states which had ratified the Court's Protocol of Signature. This note was in reply to the various communications made by these states to the United States in 1926 and 1927. It is a noteworthy document couched in the most courteous and sympathetic terms. Mr. Kellogg reviewed the situation and declared:

> The Government of the United States desires to avoid in so far as may be possible any proposal which would interfere with or embarrass the work of the

Council of the League of Nations, doubtless often perplexing and difficult, and it would be glad if it could dispose of the subject by a simple acceptance of the suggestions embodied in the Final Act and draft Protocol adopted at Geneva on September 23, 1926. There are, however, some elements of uncertainty in the bases of these suggestions which seem to require further discussion . . . it appears that the Protocol submitted by the twenty-four governments in relation to the fifth reservation would not furnish adequate protection to the United States. . . . Possibly the interest of the United States thus attempted to be safeguarded may be fully protected in some other way or by some other formula. The government of the United States feels that such an informal exchange of views as is contemplated by the twenty-four governments should, as herein suggested, lead to agreement upon some provision which in unobjectionable form would protect the rights and interests of the United States, as an adherent to the Court Statute, and this expectation is strongly supported by the fact that there seems to be but little difference regarding the substance of these rights and interests.

This note was also transmitted to the Secretary-General of the League of Nations, who had communicated to the State Department the invitation to the 1926 conference. It was received while the Council of the League was in session and was regarded as a matter of the highest importance. On Sir Austen Chamberlain's proposal the whole question of American adherence was referred to the Committee of Jurists.

This much appears in the documentary record; but simultaneously other matters were under way. Before leaving the United States, Mr. Root had made a trip to Washington and had discussed the question of American adherence with Secretary Kellogg and with certain members of the Foreign Relations Committee of the Senate whose colleague in the Senate he had been for many years.

By the time Mr. Root reached Geneva he had definitely formulated a project. There were then gathering in Geneva the persons who formed the Council of the League of Nations, which began its fifty-fourth session in Geneva on March 4. Many of these persons were old friends of Mr. Root; to all of them he was of course well known. In meeting them informally it was natural that the question of American adherence to the Court should form a topic of conversation. It appeared that his plan for the application of the fifth reservation would be acceptable in principle to these persons, and presumably to the governments which they represented. Then followed the action of the Council just alluded to and the Committee of Jurists became seized of the whole problem of American adherence in an atmosphere of friendly and

sympathetic understanding which had not been wholly possible at earlier stages.

The question of American adherence was the first item on the agenda. The chairman stated that he understood Mr. Root had formulated an informal suggestion as a basis for the solution of the problem and the "Root Plan," as it was called, was circulated to the members of the committee.

This draft project was based on the Final Act and Protocol of the 1926 Conference of Signatories. It asked for no concession from the Signatory States which they had not at that time indicated their willingness to accept. In Article 4 of the 1926 Protocol the Signatory States had indicated an acceptance of the fifth Senate reservation and suggested a method of applying it; in Article 7 they had, in providing a right of withdrawal, expressly referred to their acceptance of the fifth reservation. The Root Plan merely threw these statements into bolder relief. While not suggesting any new concessions on the part of the Signatory States, the project at the same time made no attempt to depart from the Senate reservations. In other words, the underlying theory was, to use the words of Mr. Kellogg's note of February 19, 1929, that there was "but little difference regarding the substance of these rights and interests" of the United States. The difficulty was seen to lie in the attempt to arrive at a general abstract formula which in advance would envisage and provide for every theoretical case which might arise. Hence the efforts which had been made on both sides to frame a definition of "claim" and "interest" and to solve the much mooted problem of whether unanimity was necessary in requesting an advisory opinion. The Root Plan shifted the controversy from the field of the theoretical and abstract to the concrete. Mr. Root pointed out the impossibility of finding a satisfactory general definition. The word "interest" has many meanings in popular use. Thus the United States has an "interest" in the preservation of all rules of international law. It has an "interest" in the prosperity of all countries which are customers for its products. But these are not the "interests" which the fifth reservation was intended to safeguard. What definition would include all which we wished to include and exclude all which we were willing to exclude? Obviously it was not sufficient to refer to "legal interests" — the Monroe Doctrine is a matter of policy, not of law, and yet the Senate undoubtedly wishes to cover our interest in that

Doctrine. The question thus resolved itself into one of procedure, and the Root Plan is a procedural device.

In much of the popular consideration of the fifth reservation attention has been focussed on the prohibitory phrase — "the Court shall not entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest." It seems sometimes to have been overlooked that this prohibition is coupled with the words "without the consent of the United States" — words which clearly imply that such consent would not always be withheld. The Root Plan is also a device for manifesting that consent.

The Signatories in 1926 had drawn a distinction between disputes to which the United States was a party, and other disputes or questions. As to the first category they suggested that the jurisprudence of the Court offered sufficient guarantees. In other words, they agreed in principle that the Court should not render an advisory opinion in such cases without the consent of the United States. The first paragraph of the Root Plan stated this condition flatly. The second paragraph made the same stipulation for questions or disputes to which the United States is not a party but in which the United States has or claims an interest. The third paragraph states: "The manner in which shall be made known whether the United States claims an interest and gives or withholds its consent shall be as follows." Two situations are then envisaged. First (paragraph four) it is stated that "whenever in contemplation of a request for an advisory opinion it seems desirable, the Council or Assembly may invite an exchange of views with the United States and such exchange of views shall proceed with all convenient speed." Second (paragraph five) it is provided that "whenever a request for an advisory opinion comes to the Court, the Registrar shall notify the United States thereof among other states mentioned in the now existing article 73 of the Rules of Court stating a reasonable time limit fixed by the president within which a written statement by the United States concerning the request will be received." It will be noted that this paragraph serves also to perpetuate one of the articles of the Rules of the Court (revised after the adoption of the Senate Reservations) which insures the publicity of advisory opinions. According to paragraph six, if within this time limit the United States claims an interest and asserts that it has not consented to the submission of the question, all proceedings before the Court are stayed to

permit of an immediate exchange of views between the United States and "the proponents of the request," that is, the Council or Assembly. The seventh and final paragraph of the original Root draft is a description of what may occur in the course of this exchange of views. It reads as follows:

> If after such an exchange of views either while a question is in contemplation or after a question has gone to the Court, it shall appear (1) that no agreement can be reached as to whether the question does touch an interest of the United States within the true meaning of the second paragraph of this article; and (a) that the submission of the question is still insisted upon after attributing to the objection of the United States the same force and effect as attaches to a vote against asking for the opinion given by a Member of the League of Nations either in the Assembly or in the Council; and if it also appears that the United States has not been able to find the submission of the question so important for the general good as to call upon the United States to forego its objection in that particular instance, leaving the request to be acted upon by the Court without in any way binding the United States; then it shall be deemed that owing to a material difference of view regarding the proper scope of the practice of requesting advisory opinions the arrangement now agreed upon is not yielding satisfactory results and that the exercise of the powers of withdrawal provided in Article 7 hereof will follow naturally without any imputation of unfriendliness or of unwillingness to coöperate generally for peace and goodwill.

It will be noted that the project frankly faces the issue, describes the several possible contingencies, and is wholly self-explanatory. It is based on the theory that as a matter of practical application the United States and the "proponents of a request" for an advisory opinion would in the vast majority of cases reach an agreement. And although the word "theory" is used, it must be remembered that this is not the suggestion of a theoretician but of a practical statesman with wide experience in international affairs. Although it is necessary to supply an ultimate safeguard for the United States, Mr. Root's project, as he himself explained, provides for an eventuality which in practice would probably not arise. One cannot appreciate the proposal without fully realizing this practical aspect. The nature of the ultimate safeguard is suggested by the provisions in the Final Act and Protocol of 1926 which gave the Signatory States the right to restore the *status quo ante* by withdrawing their acceptance of the American conditions.

In some quarters it has been suggested that if the United States exercised this right of withdrawal it would be put in an unfavorable light before the public opinion of the world. Assum-

ing the improbable hypothesis that the exchange of views did not lead to agreement, there might be some (though remote) basis for the suggestion, if our withdrawal were based upon our objection to an opinion being rendered in a particular case. But that is not the basis of the Root Plan. We would be withdrawing because the failure to agree had revealed "a material difference of view regarding the proper scope of the practice of requesting advisory opinions." Thus our withdrawal would not be due to pique aroused by a particular situation, but to the revelation that the whole advisory procedure was something quite different from what it is now believed to be. If such a situation should develop, the withdrawal would indeed "follow naturally" and no other motives could fairly be imputed to the United States.

In addition to the provision just described, an incidental safeguard is supplied by adopting the suggestion of the 1926 conference that an adverse vote of the United States should have the same force and effect as that of any member of the Council or Assembly. Regardless of the ultimate solution of the question of unanimity or majority in requesting advisory opinions, this provision puts the United States on a footing of legal equality with the other states. Meanwhile the definitive solution is avoided because this provision is merely a subsidiary guaranty and not the essential basis of the plan.

One may sum up the Root Plan somewhat as follows: The United States will adhere to the Court upon the assurance that advisory opinions will not be rendered without our having an opportunity to make known any objection. The United States believes that it will be possible in each specific case as it arises either for the United States to agree that the opinion may be rendered or for the Council or Assembly to agree that the request will be withdrawn. If this mutual confidence is misplaced, it may as well be recognized that the proposed coöperation is impossible and the United States will withdraw from the Court, effective before the advisory opinion is rendered. In other words, so long as we are a "member" of the Court no opinion can be rendered without our consent. It would have to be a very serious divergence of view which would induce the Council or Assembly to choose to cause the withdrawal of the United States rather than to refrain from requesting an opinion.

The Root Plan met with no opposition in the Committee. Its

essential principles were accepted as soon as the members had had an opportunity to study the draft. Certain newspapers have ignorantly been referring to the "English Plan" of Sir Cecil Hurst, which is described as adopted and endorsed by Mr. Root. Such a description is inaccurate and misleading. What actually happened was this: Mr. Root presented to the Committee of Jurists a draft project without the slightest desire or idea of submitting an ultimatum. The members of the Committee accepted the draft as a basis for discussion and then proceeded in the usual and normal way to consider the exact drafting of the project which would best express the common objects in view. Sir Cecil Hurst was one of four members of the Committee who formally prepared fresh drafts. Of these four drafts that of the English member of the Committee seemed the most satisfactory to Mr. Root and to the other members of the committee and it in turn became the basis for discussion. Other suggestions were made for its improvement, notably by M. Van Eysinga of Holland, M. Scialoja of Italy (the chairman), M. Politis of Greece, and M. Raestad of Norway. As a preliminary step, the chairman appointed a subcommittee consisting of himself, Mr. Root, Sir Cecil Hurst and M. Politis. This subcommittee reported substantial agreement on the main outlines, subject to some further drafting improvements. The whole matter was then turned over to Mr. Root and to Sir Cecil Hurst for final drafting and the Committee as a whole proceeded to the consideration of the other main item on its agenda — the general revision of the Court Statute.

This second phase of the Committee's work was that for which it was originally called into being and it was a matter requiring long and detailed discussion. The Root-Hurst plan — which suggests an interesting parallel to the Root-Phillimore plan which served as a basis for the work of the committee of jurists which framed the original statute in 1920 — had been accepted in principle and was not for the moment a subject of general concern. The drafting, however, required time: the views of several persons had to be consulted and both Mr. Root and Sir Cecil Hurst were meanwhile constantly occupied with the other work of the Committee. The fact that the final draft was not presented to the Committee until some six days later was therefore due to the natural causes suggested above and not to any opposition which was "discovered" by some representatives of the

American press who were impatiently waiting for the climax of the story.

It will be recalled that the original Root project dealt only with the crucial second half of the fifth reservation. This was intended, however, eventually to form merely one part of an entire re-draft of the whole Protocol of 1926. Accordingly, when the matter was finally referred back to the full committee an entire protocol had been prepared on the basis of a draft prepared by Mr. Root and discussed with Sir Cecil Hurst as co-reporter on the whole topic. This revised protocol as eventually adopted by the committee opens with an article which declares that the Signatory States "accept the special conditions attached by the United States in the five reservations mentioned above [in the preamble] to its adherence to the said Protocol [of December 16, 1920] upon the terms and conditions set out in the following articles." It has already been pointed out that the 1926 Protocol had suggested this acceptance of the five reservations, but it is now made definite and certain. This acceptance is of cardinal importance and the rest of the new protocol must be read in reference to it. When the protocol fails to deal with a reservation, that reservation is accepted *in toto*. Thus there is a flat acceptance of the first reservation which declares that adherence to the Court shall not be taken as involving any connection with the League and of the third reservation which provides that the United States will pay a fair share of the expense of the Court as determined by Congress.

Article 2 expressly provides for the participation of the United States in the election of judges. The reason for stating this expressly instead of leaving it to be derived from the general acceptance is the desire to make clear that the vote of the United States shall be counted in determining the absolute majority required by the Statute. This apparent excess of caution is traceable to the European distinction between majority (plurality) and "absolute majority" which they are always solicitous to specify, and also to the fact that this provision in effect constitutes an amendment to Article 10 of the original Statute.

Article 3 covers the latter part of the fourth reservation which provided that the Statute of the court shall not be amended without the consent of the United States. This is expressly covered because the Signatories wished to give expression to the usual rule that the Statute, being in effect a treaty, could not be amended without the consent of all the contracting states.

Article 4 is responsive to the first part of the fifth reservation and declares that "The Court shall render advisory opinions in public session after notice and opportunity for hearing substantially as provided in the now existing articles 73 and 74 of the Rules of the Court." The 1926 Protocol had confined itself on this subject to stating that "The Court shall render advisory opinions in public session." The new text takes an idea from the original Root draft and perpetuates the procedure now outlined in the Rules. It will be noted later that the proposed amendments to the Statute would further perpetuate these same provisions — an additional bit of evidence that the other Powers have no thought of endeavoring to secure secret opinions from the Court. Not the slightest objection was raised to these provisions.

Article 5 covers the second half of the fifth reservation and reproduces the essence of the original Root Plan. The Root Plan provided that whenever a request for an advisory opinion was contemplated by the Council or Assembly, either of those bodies could bring about an exchange of views with the United States. It further provided that whenever a request came to the Court, the Registrar should give notice to the United States which by a claim of interest could bring about a stay of proceedings pending an exchange of views. This double-barrelled safeguard of American interests is maintained but the first barrel is given greater range. The final text opens with a phrase taken from the fifth reservation — "With a view to ensuring that the Court shall not without the consent of the United States entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest" — and goes on to provide that whenever a proposal for requesting an opinion is "before the Council or the Assembly," the Secretary-General shall inform the United States. This language is carefully chosen to preserve a certain measure of elasticity — on the one hand to avoid putting this machinery into operation because of some unofficial and informal suggestion that an opinion might be asked, and on the other hand to allow it to operate without waiting for such a matter to be definitely on the agenda. As explained in the Committee debates, "before" means under serious consideration.

It should also be noted that under Article 5 the United States is to designate the channel of communication, i.e., notice may go through our legation at Berne, or direct to Washington, or in any other way this Government may prefer. While Mr. Root in his

preliminary proposal had refrained from putting this definite obligation on the Secretary-General he declared that "his own draft had suffered from his anxiety to avoid interfering in any way with the procedure and work of the Council." Since Sir Cecil Hurst appeared to think that the Council might welcome such a provision, he felt that his own anxiety had been groundless and he accepted the suggestion at once. It is hardly conceivable that if the body which originates a request for an advisory opinion wishes to know whether the United States has any objection to it before the step is taken, this Government should refuse to indicate whether or not the question "touches" its "interests" and whether or not it consents to the submission. The article accordingly goes on in the terms of the original Root Plan to provide that upon such notice given "if desired, an exchange of views *as to whether an interest of the United States is affected* shall proceed with all convenient speed." The italicized words were omitted from the text published in the press; they are of great importance since they indicate the object of the exchange of views. It was, however, realized that a suggestion for requesting an advisory opinion might not come "before" the Council until the last day or days of its session, which usually lasts only a week. At such times a critical situation might develop which would make the request quite essential to the maintenance of peace but which would not leave time for an immediate exchange of views with the United States. Such an eventuality is covered by the second paragraph of the article which is based on the fifth paragraph of the original Root Plan. This paragraph is, however, an additional safeguard to the United States since it is couched in general terms and requires the Registrar of the Court in all cases to notify the United States whenever a request for an opinion comes to the Court. As the Root Plan suggested, a time limit is fixed within which a written statement by the United States concerning the request will be received. If the United States advises the Court that its interests are affected, proceedings are stayed till the exchange of views takes place as already described. Although the various possibilities which may arise in such exchange of views are not set out as they were in the original Root Plan, they are of course implicit since they were merely statements of fact.

The article then proceeds with the familiar provision that "there shall be attributed to an objection of the United States the same force and effect as attaches to a vote against asking for

the opinion given by a member of the League of Nations in the Council or in the Assembly." This applies both when the matter is before one of these bodies and when it is before the Court; that is, it applies in determining both whether the request shall be made and whether the request should be granted. The article concludes by a condensed statement of the final paragraph of the original Root Plan to the effect that if in the exchange of views no agreement is reached and "the United States is not prepared to forego its objection, the exercise of the powers of withdrawal provided for in Article 8 hereof will follow naturally without any imputation of unfriendliness or unwillingness to coöperate generally for peace and goodwill."

It thus appears that every essential feature of the original Root Plan is fully preserved; the notice, the stay of proceedings before the Court, the exchange of views, and the ultimate possibility of withdrawal.

Article 6 is a repetition of the fifth article of the 1926 Protocol, providing that this new protocol shall have the same force and effect as the original Statute of the Court. To clarify the status of later adherents it is added that any future signature of the Protocol of December 6, 1920, shall be deemed an acceptance of the provision of the present protocol.

Article 7 merely provides for ratification and deposit of the instrument of ratification in the archives of the Secretariat of the League. This is in accord with the provisions of the former Protocol of 1920. It will be recalled that a similar disposition has recently been accepted by the Senate in advising and consenting to the Slavery Convention. This article also specifies that the present protocol "shall come into force as soon as all states which have ratified the protocol of December 16, 1920, and also the United States, have deposited their ratifications." This follows the rule of unanimity already expressed.

The last article is similar to Article 7 of the Protocol of 1926 providing for the right of withdrawal which the Senate stipulated for in the fourth reservation. It is noteworthy that the withdrawal of the United States becomes effective as soon as notified to the Secretary-General of the League, whereas the other states must get a majority of not less than two-thirds, all of whom must notify the Secretary-General within one year from notice given by one of their members. It should also be noted that the United States may withdraw at any time and not merely on some oc-

casion when there is a disagreement regarding advisory opinions as described in Article 5.

Such is the Protocol of 1929 which accepts the five reservations of the Senate and suggests the method of their application. It seems quite obvious that had the other Signatory States flatly accepted these reservations in 1926 some such plan of procedure would have had to be worked out subsequently. Its preparation in advance enables all parties to enter into the arrangement with a clear understanding of its mode of operation and thus there is eliminated the likelihood of future misunderstanding. Through Mr. Root's ingenious but simple formula the legitimate desires of all parties have been met and there seems to be no reason to anticipate any honest opposition. The unanimity of Council and Committee members in Europe seems to ensure the acceptance of the protocol there, and since the terms laid down by the Senate in 1926 have been met in every substantial respect it would seem that no Senator who voted for adherence at that time would have reason to vote against it now.

A word should be said about the procedure for bringing the protocol into effect. In the United States, if it is true that the protocol is merely an acceptance of the five reservations, the President has already received authority to ratify. It would seem likely, however, that Mr. Hoover would wish to lay the whole matter again before the Senate.

In Europe the project must, of course, go first to the Council of the League, for it is technically merely a recommendation of a Committee of Jurists appointed by the Council to give its advice to that body. The Council meets early in June and there seems to be no doubt that it will act promptly and favorably on the project. The report adopted by the Committee recommends that the draft should then be communicated officially to the United States by the Secretary-General in replying to the Secretary of State's note dated February 19, 1929. At the same time it should be communicated to all the states which signed the original Court Protocol of December 16, 1920. Then, the Committee report suggests, it should be communicated to the Assembly which meets the last of August, since the proposal for constituting the Committee of Jurists originated in that body, and in order that the Assembly (in which practically all the Signatory States are represented) should also be enabled to endorse the plan. A further reason for this reference to the Council and Assembly is that the

new draft protocol contains stipulations regarding action by both of those bodies in requesting advisory opinions, i.e. in exchanging views with the United States. It is then hoped that delegates to the Assembly will have been furnished with full powers so that the signature and ratification of the new protocol can be completed without delay.

The other part of the work of the Committee of Jurists is perhaps of less general interest in the United States, but should nevertheless be noted.[1] The amendments aim at enabling the Court to handle promptly the ever increasing volume of business referred to it. Thus it is suggested that the Court should be in constant session except for judicial holidays and that the judges should pursue no other occupation. Another important group of suggested amendments aims to perpetuate the judicial nature of advisory opinions by transposing into the Statute certain provisions which are now found in the Rules.

Two groups may object to the adoption of the Root Plan. The first group opposes American entry into the World Court on any conditions. This group was equally opposed to the reservations adopted by more than two-thirds of the Senate in 1926. The other group might be hostile through fear of some vague eventualities, no matter how unlikely their occurrence. The Root Plan effectually protects the interests of the United States in any eventuality and proceeds on the assumption that it is worth while trying out something which gives every promise of satisfactory and successful operation.

[1] See page 670.

THE ROYAL DICTATORSHIP IN JUGOSLAVIA

By Hamilton Fish Armstrong

AT the end of the war the new states of Europe asked the world to hold back from giving too early judgment on their efforts to gather their scattered forces. "After ten years," they said, "it will be fair to judge us." They were inexperienced and optimistic. The personal, sectional and class rivalries and dissensions that persisted after our own Revolutionary War remind us that ten years is little in the life of a nation. The new states of Europe have accomplished much. But seeing how much has been done, and yet how much there still remains to do, we look back with wonder at the hopes of 1919. The ten years are up, however; so let us glance at the state of affairs in what at present is the most interesting of the Balkan countries.

The eleventh year of the Jugoslav union began dramatically. On the morning of the first Sunday in January 1929, King Alexander startled his country and gave the press of Europe an occasion for display headlines by issuing a proclamation dissolving Parliament and rescinding the Constitution. The same day he placed the government in the hands of a non-party cabinet, representing the different sections of the country and responsible directly to him and to him alone. As Premier — as his personal representative, that is, to enforce his will — he chose General Zhivkovitch, head of the Royal Guard since 1917, a man of energy and decision. The royal proclamation, addressed "To My Beloved People, to All the Serbs, Croats and Slovenes," was published in the *Official Gazette* the morning of Sunday, January 6, and was posted up at once in every village.

In his proclamation King Alexander resumed the method of direct address to his people which had marked his memorable pronouncement of January 6, 1919.[1] "The hour has come," he said, "when there must no longer be any intermediary between the People and the King." He went on to say that "Parliamentary institutions, which as a political instrument were a tradition of my regretted father, have remained my ideal as well." "But," he added, "blind political passions abused the parliamentary

[1] For a translation of the 1919 proclamation see "New Governments of Central Europe," by M. W. Graham. For the 1929 proclamation see *L'Europe Nouvelle*, Jan. 12, 1929.

system to such a degree that it became a hindrance to all profitable national work. . . . Agreement — even the most ordinary relations between parties and individuals — became utterly impossible. Far from developing and strengthening the idea of national unity and the state, parliamentary methods began to provoke spiritual collapse and national disunion." "It is my duty," continued King Alexander, "to safeguard the unity of the state at all cost. I have resolved to fulfill this duty unhesitatingly to the very end. The supreme ideal of my reign is to maintain the union of the People. This ideal ought to be the supreme law not merely for me but for each individual. It is imposed upon me by my responsibility toward the People and before history, by my love for the country, and by my sacred regard for the innumerable and precious victims who fell in behalf of this ideal. To seek to remedy the present evil situation by a parliamentary change of governments or even by new elections, as has been done heretofore, would be to lose valuable time in more futile attempts of the sort which have absorbed us for several years. We must look for new working methods and blaze new trails."

What led the King to take this bold initiative? The situation must have seemed to him critical indeed, or he would never have undertaken responsibilities so little to his personal taste and fraught with such risks.

The Constitution, adopted after wearying discussions on Vidovdan, 1921, and designed to give equality to the various sections of the new country, had failed in its purpose. Parliamentary government as practiced in Belgrade had not only proved helpless to remedy the defects in the Constitution, but even seemed to have lost the momentum to enable it to keep alive. In its general provisions the Constitution was democratic and modern, but it contained specific errors. The government which it instituted was too centralized, and the administration became unwieldy and in some cases corrupt; judicial control over legislation was lacking; the voting law was complicated and gave autocratic powers to the chiefs of political parties, who dictated the candidates; the administration was split up into 33 *oblasti* (counties), too small to be given much power; Parliament was too large (about 315 members for about 13 million population). Political parties were numerous and divided from each other less on questions of principle than by the quest for patronage and by personalities and local prejudices; not one of them was truly na-

tional. It is not to be wondered at that the press was violent and that political debate descended to low levels.

Since no one party could secure control, cabinet crisis succeeded cabinet crisis. There were honest and high-minded public officials, but they could not make much headway. No Serbian statesman arose to inherit the mantle of Nikola Pashitch, who with iron determination had guided the Kingdom of Serbia through the war. Croatia was under the sway of Stephen Raditch, a well-meaning, honest and eloquent demagogue; but, like a wrongly bound book composed of pages individually reasonable but inconsecutive, he was without consistency and meaning. It made little difference whether Parliament had its full complement of members or whether the Croat Peasant Party were sulking at Zagreb; it always shirked its duty. It did not face the task of definitively stabilizing the currency, and it delayed even in equalizing taxes in the various provinces; in consequence, despite the inherent richness of the country, the economic improvement did not come up to expectations. The deputies fumbled with little figures of party majorities and left the civil and criminal laws of the country, inherited from five different régimes — Serbian, Austrian, Hungarian, Montenegrin and Turkish — unassimilated and uncodified. Thus it was possible for a man to be accepted as married north of the Danube, because a civil marriage had been performed according to pre-war Hungarian law, while across the river he was not married at all because pre-war Serbian law did not recognize purely civil marriages. Dozens of similar anomalies existed in every domain — economic, financial, cultural and religious. The administration became intolerably slow, which was hardly surprising. How could a petty official in the provinces reconcile conflicts of law which experts at Belgrade shoved into pigeonholes rather than attempt to solve?

The inequality in the administration provoked resentment in the non-Serbian parts of the country, particularly in Croatia, where habits of obstruction and opposition learnt in the old days at Vienna and Budapest had not been forgotten and where negative criticism was the stock-in-trade of every politician. One's sympathy cannot be withheld from the Croatian masses, who felt themselves discriminated against and subject to a régime in which they had much less influence than in 1918 they had expected would be the case, but it is fair to remember that they entrusted themselves to demagogic leaders who for a long time preferred

talking at random about republicanism, communism and the historic rights of Croatia to settling down at Belgrade to the humdrum responsibilities of shaping constructive legislation. It was during the time that Raditch was planning some combination which would give him control of the central government, or else while in dudgeon he was seeking support in Moscow, that the parliamentary condition at Belgrade became set in the wrong mold, the high governmental posts were monopolized by Serbians,[2] and latent Serbo-Croat differences were aggravated.

Given the just cause for criticism of the administration, and given the Croat aptitude to criticize, it is no wonder that the situation was already bad before the tragic events in Parliament on June 20 a year ago, when a Radical deputy from Montenegro, having heard his colleagues taunted with corruption, leapt to his feet and shot down four Croatian deputies, two of whom died on the spot, while a third, Stephen Raditch, chief of the Croat Peasant Party, died in Zagreb two months later. The Croat deputies forthwith left Belgrade, announcing that they would never again set foot in Parliament as then constituted, and later declared that the Vidovdan Constitution had become an instrument of Serb hegemony and must be got rid of. Through the rest of the year the politicians and press of both sides vied in violence. Last October one of the principal leaders in Zagreb said to me, "The state is no longer a state but two states — the only button between them is the King;" and he went on to speak of the Serb as "gipsies," "barbarians" and "fantastic megalomaniacs."

The King sought to relieve the tension by trying to form a neutral concentration cabinet under the leadership of General Hadjitch, the Minister of War, and including men of financial or administrative experience such as Dr. Djuritch, Minister in London, and Dr. Tartaglia, Mayor of Split. In turning to a general as premier he was following a suggestion of Stephen Raditch, who himself had urged that either Marshal Stepanovitch (who has since died) or General Zhivkovitch would be a good change from recent Radical Party leaders of the type of Mr. Vukichevitch. In fact, after an interview with the King on February 19, 1928, Raditch said publicly: "Our national army, which is our national

[2] The complaint that there were no Croat generals was less justified than complaints about Serbian monopolization of posts in diplomacy, the National Bank, etc. It was too much to ask Serbia to accept as generals the old Croat officers from the Austro-Hungarian army, with thirty years record of inefficiency and defeat. But in the lower ranks all regions have had due representation and normal promotion, so that in the course of time there will be Croat generals.

shrine, can perhaps alone furnish a generally recognized leader strong enough to expel corruption and lawlessness without mercy, destroy partisanship in administration, and overcome the political terrorism which is turning our whole country into a great penitentiary." At that time the King told Raditch (as reported by the latter) that he was very averse to mixing the army in politics, but added: "However, I see that the question of forming a concentration ministry revolves about personalities, and I admit that a concentration of all political parties perhaps offers the only way of solving the great questions of the hour. I shall continue to investigate this matter. On principle, I am prepared to look for an individual capable of the particular task of carrying through the proposed program of concentration. After that, the Parliamentary parties should find a new leader in the National Assembly and should continue to work under parliamentary leadership. But under no circumstances do I want any feature of party politics to be transferred to the army." Six months later the King had so far progressed that he was willing to have General Hadjitch try to form a neutral cabinet, but the attempt failed, and a coalition under Dr. Koroshetz (a Slovene priest) was patched up to carry things along as best it could.

The cabinet crisis that brought Dr. Koroshetz to power was the twenty-third in the ten-year life of the state; and as many more crises had been barely staved off after excited manœuvering. Hardly any of them had been provoked on issues of vital national interest. Despite the obvious dangers of the situation, internal and external, a cabinet crisis of unusual frivolousness was now to be opened by Mr. Davidovitch, the leader of the Democratic Party. Early in December 1928 Mr. Davidovitch went to Premier Koroshetz and announced that he was going to force the members of the Democratic Party to resign from the cabinet, and that he intended provoking the crisis by proposing to indemnify the peasants in cash for losses resulting from recent bad crops. Presumably he thought the proposal would enshrine him in the hearts of the peasants, even though in view of the lack of funds there was no possibility of carrying it into effect. The incident may seem trivial, but the whole negotiation is worth tracing through in order to show how heedless the party leaders had become of the dangers threatening the country's very existence. Informed of the affair, the King sent for Mr. Davidovitch and suggested that instead of proposing a cash disbursement — a

demagogic measure which even if it were feasible would only afford temporary relief — he work out a careful system of agricultural credits, and that in any case he postpone the crisis for six weeks until after the adoption of the budget. Mr. Davidovitch in refusing to delay excused himself by saying that the real reason for his action was his assurance that during a cabinet crisis the Croat absentees would be glad to enter into negotiations for forming a new government in partnership with the Democrats.

Pursuant to Mr. Davidovitch's determination the cabinet fell, and in accordance with parliamentary routine the King sent for the heads of the different parties, including of course Dr. Matchek and Mr. Pribichevitch,[3] who had been breathing defiance from Zagreb. When these two presented themselves to the King — it was on Friday, January 4, 1929 — they proposed that since the deeper crisis was not parliamentary but constitutional, a neutral cabinet chosen by the King should hold elections for a Constituent Assembly to revise the Constitution as follows: The country should be divided "on historic lines" into seven provinces or states — Serbia, Croatia, Slovenia, Voivodina, Montenegro, Bosnia-Herzegovina, and Macedonia. Each division should have administrative and legislative autonomy in all matters except foreign relations, which should be entrusted to a central body composed of delegations from the seven state diets. Not merely were educational and religious matters to be controlled by each separate state, but the army, railways, telegraphs, and finance (except foreign loans) as well. The military forces raised in each state, for example, would be subject to its own jurisdiction and would not be liable for service outside its frontiers except by consent of the local diet. It should be noted in passing that Dr. Matchek's "historic frontiers" are hard to define. For example, he claimed Dalmatia for Croatia, though since Napoleon's time they have been separate; nor can the Voivodina be considered a historic entity. Moreover, he revealed how much real weight he placed on the "historic" element when he suggested that as a concession Macedonia might perhaps be included in Serbia, if Serbia would agree to let Croatia take northern Bosnia!

King Alexander considered that the plan would destroy the unity of the state, throttle its economic development and render

[3] Dr. Matchek succeeded Raditch as head of the Croat Peasant Party. For some years Mr. Pribichevitch was the strongest apostle of centralization; in fact, he left the Democratic Party in protest when it formed a cabinet with the Croat Peasant Party. It was then that he set up the Independent Democratic Party. Later he made terms with the Croats and is now their ally.

it impotent to defend its international rights. As for Mr. Davidovitch, he threw up his hands in horrified surprise; there could be no collaboration with the Croats, he said, on any such basis as that. The other party leaders, representing two-thirds of the deputies in Parliament, refused even to discuss the proposal.

But though Mr. Davidovitch could indicate no way out of the crisis which he had frivolously provoked, it continued — the parliamentary crisis, and, as Dr. Matchek had quite justly pointed out, the constitutional crisis as well. What was King Alexander to do? He might try another coalition, with the same elements that had so often failed. He might try new elections, which under the existing electoral system would return the same faces and the same voices to Parliament. He saw the unity of the country being sapped. Looking abroad, he saw enemies on several frontiers. He sat down and wrote the proclamation which has been summarized above. Calling in General Zhivkovitch as a neutral Premier, he collected the strongest cabinet he could from among the men he felt most trustworthy and competent. All the eighteen whom he invited to join the non-constitutional cabinet accepted; the retiring Premier, Dr. Koroshetz, himself asked to be included, and the Foreign Minister, Dr. Marinkovitch, and the War Minister, General Hadjitch, retained their portfolios. Of the eighteen, five were Croats, one was a Slovene, and the remaining twelve were Serbs, some formerly affiliated with the Radical Party, some with the Democratic. The offices of all the political parties were locked up, newspaper discussion was ended by a censorship law, and the people awoke on the Sunday morning before the Orthodox Christmas with an unexpected present in their stocking — political silence!

Silently the "Christmas Cabinet" began to blaze the new trails spoken of in the royal proclamation. There were no arrests; no gangs roved around administering castor oil. A basic statute was promulgated defining the powers of the new régime. Addressing his new Ministers, the King admonished them "never to forget that the safety of the state is the supreme law, and to serve the people the most sacred of duties." A unified penal code, based on the proposals which the Parliament had never found time to ratify, was promulgated. The law-making record of the first three months of the régime deserves to be given in full:

Law stating the Royal Powers.
Defense of the Realm Act.

Press Law.
Law changing the Law of Municipalities and Provinces.
Law changing the Law of the State Council and State Courts.
Law changing the Law of State Control.
Statute for Judges.
Law of the State Court for the Defense of the State.
Cadastral Law (Land Measurement).
Law regulating the Courts.
Law establishing the Supreme Legislative Council and the Commission of Experts in the Ministry of Justice.
Law regulating the competency of Military Courts.
Criminal Law of the Kingdom of the Serbs, Croats and Slovenes.
Additional Laws concerning Municipalities.
Law for assistance of the families of the late Mr. Pavle Raditch and Dr. Bassaritchek.
Law for legal coöperation with the Republic of Austria.
Law concerning Barristers and Lawyers.
Additional Laws concerning Municipalities.
Law ratifying the Kellogg Pact.
Financial Law for 1929–30 (Budget).
Law regulating the competency of the Government and of Ministries.
Law against corruption of government officials.
Law providing help for sufferers from disasters caused by the elements.

Of these laws, one of the most interesting is that appointing a "Supreme Legislative Council" of about fifteen leading lawyers and professors from different parts of the country, which consults with the Prime Minister and advises him regarding all proposed laws. Though it cannot prevent the Prime Minister from taking a particular action, it scrutinizes and gives its opinion on all projects which the various Ministers submit to him for approval, and it may also come to have the power of recommending projects of its own. Alongside of this body the Minister of Justice has been empowered to set up preliminary commissions of specialists to draft projects of laws pertaining to his department; they will intensify the work of unifying legislation in the Kingdom. The whole machinery of government is further being speeded up by the decision that matters formerly requiring the assent of the whole Council of Ministers need only be submitted to the Prime Minister for his consent before they go to the King for final consideration and signature. Departmental red tape is also being cut. For example, the statistical sections of all ministries are being centralized in the Prime Minister's office, so that the cabinet can be given precise information at a moment's notice. A study of the governmental departments has led to the reduc-

tion of the number of ministers from eighteen to fourteen. The Ministry of Posts and Telegraphs has been merged in that of Public Works; Religion in that of Justice; Agrarian Reform in that of Agriculture; and Health in that of Social Welfare. The aim is to save money, prevent duplication of work, and facilitate the unification of the laws. The post of Under-Secretary, a political plum only slightly less sweet than that of Minister, has been abolished; Assistant Ministers — permanent experts — will be appointed where needed and will form the nucleus of a non-political civil service. In the diplomatic service fifty ex-ministers have been pensioned off instead of being held *en disponibilité*, and at the same time the number of non-Serbian ministers has been increased by three — one of them being the new Minister at Washington, Dr. Pitamic, Professor of Constitutional Law in the University of Ljubljana. In the army, thirty-six generals have been retired, in some cases because they were supposed to have owed their appointment to political favor, in others in order to make way for younger officers on a lower scale of pay.

The housecleaning extended throughout the administration. The city councils of the three capitals — Belgrade, Zagreb, Ljubljana — have been dismissed and reconstituted with non-political business men, professors and bankers. The commune councils, which affect most closely the life of the countryside, have also been dismissed, and the Veliki Zupans (or Governors) instructed to appoint new commune councils. In many cases it has been found possible to reappoint the old elected ones. On March 8 when I visited Mr. Zorichitch, the Veliki Zupan at Zagreb who has 120 communes under his control, he had reappointed 71 commune councils intact, in 7 others he had replaced professional office holders or malefactors with non-political members, and with regard to the remainder he was hearing requests and receiving local advice before taking action. He was just back from the town of Varashdin where he had secured the voluntary retirement from the council of *all* the purely political members, regardless of party, and had reappointed the non-political members plus the requisite number of business and professional men. This particular Veliki Zûpan is himself a Croat and for some years was the assistant to his predecessors — the last of whom, incidentally, was a Serbian General. The instance must not be exaggerated; Mr. Zorichitch is said to be one of the best of the 33 Veliki Zupans in various parts of the country, and doubtless many of them are

more politically minded than he, but as Zagreb was particularly discontented with the bad administration of the past it is interesting to see the type of man that the new régime appointed there and how he set about his task. Certainly the lessening of tension among the more substantial citizens is noticeable to anyone who has visited Zagreb at regular intervals in recent years. Of course the politicians *de carrière* are furious though silent, and among the general public the first flush of enthusiasm over the King's abolition of the hated Vidovdan Constitution has waned, but it has been replaced in part by satisfaction over administrative improvements and an attitude of "wait and see" over the vital question of decentralization. In present circumstances King Alexander can hardly spend much time in Zagreb, but perhaps he will find it possible to take what would undoubtedly be a very popular step and establish his cousin, Prince Paul, in regular residence there.

We have seen that in addition to being psychologically refreshing the *coup d'état* has already resulted in some substantial accomplishments. In making his assistants work far into the night at their tasks of administrative and legal reform the King has shown that he is quite aware that time is the key to the situation. If the régime can constantly present the people with new proofs of its administrative efficiency and energy it will be demonstrating that the moment when a return to constitutional government is feasible draws nearer. The Serbs, even more than the Croats, will need this encouragement, for they set great store by the constitutional privileges won in their struggles with the Turks.

Simultaneously with pressing forward reforms in the administration, King Alexander doubtless is taking counsel regarding the new constitution which he will eventually decree. He knows enough not to expect to satisfy either the centralist or the federalist extremists. But he is a sincere Jugoslav, as was shown the other day when his Prime Minister in a public toast referred to "The *Jugoslav* Kingdom of Serbs, Croats and Slovenes" — the first time the adjective had been used officially in the national title and perhaps foreshadowing the day when the sectional names will disappear. It therefore is not at all impossible that, although rejecting Dr. Matchek's "historic frontiers," the King nevertheless will consent to the division of the state into six or eight provinces, arranged chiefly with an eye to economic interest and possessed of large autonomies as regards cultural matters and local taxation.

There is some sentiment among his advisers for the creation of a Senate, in which chambers of commerce, the universities, bar associations and other organizations shall have representation, with the addition of a certain number of senators appointed by the Crown to represent the various parts of the country. Provided such a body were given the right to initiate as well as veto legislation, it might be very useful; otherwise it might prove merely ornamental or even obstructive, because what the old parliament needed was not a check but a goad.

By preparing a number of treaties of commerce, eliminating graft, setting up a bureau to encourage foreign trade, and establishing an agrarian bank to grant credits to peasants, the administration has already produced a favorable impression in the economic field. But a further and indispensable task remains to be accomplished. Jugoslavia is almost the only European country which has not yet stabilized its currency. In order to do this it will be necessary to float a loan abroad similar to those arranged by many other countries, either through the League of Nations or through private bankers with the support of certain central banks. A consortium of British banks, headed by the Rothschilds and including the houses of Hambro, Schroder and Baring, is now working on the project, with the collaboration of American banking interests. A difficulty seems to be that when a previous loan was floated the Jugoslav State put up collateral (in the form of pledged revenues from customs, monopolies and state railways) to the value of about a hundred million dollars, although the section of the loan eventually issued totalled only twenty-five millions. It may be necessary to make some adjustment of this prior lien on a disproportionate section of the national income before the stabilization loan can be successfully launched. Incidentally, the King's appointment of two leading Croats as Ministers of Finance and Commerce shows the non-sectional nature of his government and should increase foreign confidence in its credit; Dr. Sverluga, Minister of Finance, is President of the Zagreb Bourse and is not likely to enter into an agreement which would not carry Croat approval. Meanwhile, French capital is also becoming active; a French company has bought out the Italian concession to develop water-power in Dalmatia, and has engaged to supply 550 million kilowatt hours per year within three years, for use in industry and in electrifying the railroads.

Though the new régime is principally concerned with home

reforms, several developments of interest in Jugoslav foreign policy have followed the *coup d'état*. An agreement has been reached with Greece regarding the use of Saloniki, and this has been followed by a general pact of amity, conciliation and judicial settlement. Presumably Belgrade had been hoping for a treaty with Greece which besides assuring her of Greek neutrality in case Italy provoked war would provide for Greek assistance in case Bulgaria joined the conflict. In other words, she wanted something like the 1913 treaty, adjusted to the new circumstances. Mr. Venizelos knew how much this would anger Rome, and was not to be argued out of his position by talk about the dangers of the Greek position in case Jugoslavia were downed by an Italo-Bulgar combination. The Jugoslavs have now decided to put the best face possible on the affair, and probably console themselves by remembering that the 1913 treaty with Greece did them precious little good when Bulgaria entered the Great War. In any case, they use Saloniki for only about three percent of their foreign trade, and in the event of a war with Italy the Italian fleet would blockade Saloniki and prevent the importation of supplies. King Alexander was probably right in settling the matter more or less on the Greek terms, and turning with a free mind to other more important matters.

A change for the better in Jugoslav-Bulgar relations was noticeable after King Alexander ordered the re-opening of the frontier, closed since the murder of General Kovachevitch. The improvement was carried further when a mixed commission met at Pirot to examine into a number of pending questions, especially how best to avoid frontier incidents and how to deal with them when they arise. Arrangements were made to open public telephone communication between Sofia and Belgrade, and the negotiators exchanged views as to the sort of permanent mixed commission which might be set up to regulate frontier incidents on the spot, thus reducing them to the category of police incidents and preventing newspaper exploitation. No agreement was reached on the difficult matter of how to liquidate the properties of citizens of one state situated on the other side of the frontier; and Bulgaria rejected the Jugoslav suggestion that the best way to hinder unauthorized persons from crossing the frontier (thus diminishing Bulgarian *comitadji* raids) would be to establish a ten-kilometer zone into which none but actual inhabitants and government officials should have right of entry.

But even though many matters remained unsettled, the mere fact that a conference could be held, and Jugoslavia's prompt ratification of the protocol of the conference, showed that Belgrade was in a conciliatory frame of mind. It was also announced that discussions looking to a commercial treaty would begin shortly.

Also of help in producing the Jugoslav-Bulgar *détente* was a striking event in the post-war life of Bulgaria: the near-suicide of the Internal Macedonian Revolutionary Organization. The sanguinary warfare between the two branches of the Organization reached its climax last July when General Protogueroff was shot down by order of his rival, Ivan Mihailoff, in one of the main streets of Sofia. This shocked Bulgarians, including the Macedonian elements not associated with the terroristic organization, and turned them against Mihailoff. Protogueroff was a figure in Bulgarian (as distinct from purely Macedonian) affairs, having done good service as a General in the Bulgarian army. The brazen way in which his rivals reached out and killed him in the capital added to public indignation. Everyone knew that the differences of principle which had first brought dissension into the Macedonian ranks had gradually been superseded by an individual struggle for control and for the prerogatives and profits that go with the leadership of a powerful organization. Many Macedonians resented the fact, too, that Mihailoff is a young fellow only about thirty years old; like most of his associates, he had not yet been born when Protogueroff first began his *comitadji* activity against the Turks. True, the Organization has come out of the struggle with increased discipline and cohesion; the opposition to Mihailoff is all but crushed, though it still bites back whenever it gets the chance. But its "diplomatic corps" abroad has been dissolved, most of the members being of the older Protogueroff order; the number of individuals ready to undertake enterprises in Southern Serbia is diminished; and, above all, public opinion in Bulgaria has been alienated, releasing Premier Liaptcheff from the necessity for timid dealing with the Organization's illegal activities — in case he and Foreign Minister Bouroff sincerely make up their minds to come to terms with Jugoslavia. Their true attitude, and the present power of the Macedonian Organization, will be revealed when the "season" for *comitadji* activity is further advanced.

Unfortunately, Belgrade's desire to reach an understanding with Sofia has been chilled by the reception accorded a certain

Dr. Pavelitch, leader of a small Croatian group, when he visited Bulgaria recently at the invitation of the National Committee of the Macedonian Refugees. He was fêted all through the country, and in Sofia made a speech calling for the formation of a common battle front against the Jugoslav Government by the Croats and the Bulgarian Macedonians. Now Dr. Pavelitch has never been a power in Croatia, and since he has nothing to gain from a Serbo-Croat reconciliation one suspects that he merely aims to sabotage the present effort to bring it about. But the incident is of a certain importance, not only as indicating the lengths to which some of the Croat politicians are willing to go but even more as giving Bulgarophobe elements at Belgrade new grounds for asserting that Bulgaria is unregenerate and will make common cause with any enemy of Serbia, domestic or foreign.

The Italian press — and in present conditions the Italian press is hard to distinguish from the Italian Government — has never concealed its delight at Bulgarian *comitadji* activities in South Serbia. When therefore the British and French Governments found it necessary last summer to lodge a protest at Sofia against Minister of War Valkoff's laxity in preventing the forming of armed bands on Bulgarian territory, no one was surprised that the Italian Government held aloof. Thus encouraged, King Boris maintained General Valkoff in office for a time and has now sent him as Minister to Rome. Bulgaria's neighbors have found further evidence of the King's liking for Italy in his open desire to marry the Princess Giovanna; for a royal marriage is not a private matter. A warm partisan of the match was the Queen of Italy, who as a member of the now defunct Montenegrin dynasty naturally would be gratified if one of its representatives might be reëstablished on the Balkan chessboard. In fact the pretty little princess whose picture was plastered all over Sofia this spring combines the two qualities which the Jugoslavs least care about seeing associated with a neighboring throne; she is an Italian, and so would increase Italian influence in the Balkan peninsula, and she is of the House of Niegush, former rivals of the Karageorgevitch. But anxiety on that score can now cease; the religious difficulty has proved insurmountable and the project has definitely been abandoned. The new patisserie shop in Sofia which was announcing that it was to be called "Princess Giovanna" will have to look around for another name.

Apart from Mussolini's decision not to renew the treaty of

amity with Jugoslavia, there has been only one incident of importance in the direct relations of Rome and Belgrade since the first of the year. This was the publication in the *Giornale d'Italia* on April 12 (reproduced throughout the Italian press) of an attack by the editor, Mr. Gayda, on the Jugoslav Government. Under the heading "How the Serbian General Staff is Organizing Terror on the Frontiers," the newspaper devoted its entire front page and half of the second to the printing of alleged "documents" of a Jugoslav secret society supposed to be enlisting terrorist bands on a great scale for a surprise attack on all the neighbors of Jugoslavia, the whole at vast cost and under the direct supervision of the chief of staff of the Jugoslav army. To those who remember a propaganda book issued by the "Awakening Magyars" four years ago, the "documents" have a familiar ring. The Jugoslav Government issued a categorical denial of their authenticity, adding contemptuously that the military program laid out was balderdash and would be impossible to execute under any circumstances. The Jugoslav censorship, which from the start had eliminated references to Italy from the Jugoslav press, was relaxed enough to allow *Pravda* to characterize the disclosures of the Roman newspaper as "lying and stupid," *Politika* to compare them with the celebrated Friedjung forgeries of the Hapsburg Monarchy, and other papers to refer to them as a smoke screen to distract Europe's attention from the activities of Signor Grandi in Albania and Hungary. An apologist for the *Giornale d'Italia*, writing to *The Near East*, states that the mere fact that the documents in question could be published under present conditions in Italy gives one "reason to suppose that the Italian Government is aware that they are not forgeries." This statement is a grave criticism of the manner in which the Fascist Government treats a neighbor with which it nominally maintains friendly relations.

Of course King Alexander cannot talk too much about returning to constitutional methods; the politicians, now submerged, would at once begin clandestinely to re-create the old parties and would demand the allegiance of the functionaries who at present are working whole-heartedly for the new régime. But though it is difficult to fix a date for the end of the dictatorship, the King will hardly make the error of taking perfection as the standard to be attained before he feels free to restore parliamentary government. If after reforming the administration he can inspire it with even a

degree of his own energy and idealism, if he can succeed in elaborating the principal laws necessary for the unification of the state legal system, if he can work out some just compromise between the claims of the centralists and the federalists (whether or not the extremists of either side like it) and incorporate it in a new constitution, then he will be in a position to decree a new electoral law and proceed with good chances of success to hold elections and assemble a parliament. He will want to feel sure that he is not returning, after all these labors, to the same futile situation which existed before. But he should not hope that everything can be regulated to his complete satisfaction. In politics there is no finality and no perfection. He has started well. If he is able to solve the constitutional puzzle and then make an end, he will rank not only as one of the most courageous statesmen of Europe but as one of the wisest.

At the same time he will have set a record among dictators; whatever their original intentions, they are not apt to find an opportune moment for relinquishing their powers. This is because dictatorships usually are composed of cliques of army officers or politicians who must continue in office or revert to obscurity. King Alexander is in a superior position. His royal colleagues, the Kings of Italy and Spain, would almost surely suffer from the enforced ending of the dictatorships which now dominate their realms; they have acquiesced in them and consequently they are identified with them. But though implicated, they find themselves in the unfortunate position of exercising practically no control over events. King Alexander chose to undertake the responsibilities himself and himself exercise the control. Duty called him, he felt, not to let any sort of secondary considerations delay a supreme effort to preserve the unity of the country, and advantage counselled that he act himself rather than allow anyone else to assume dictatorial powers. Fortunately he is that very rare thing among rulers, the most patient, sensible and conscientious man in his country. If his officials continue carrying out his instructions faithfully and rapidly he should have his reward.

CHINA IN THE WORLD FAMILY

By Herbert B. Elliston

CHINA is an important Power by the measurements of geography, resources, and population. In geographical position it sprawls across the eastern rim of that ocean which we are often reminded is the next theater of man's major activities. Its resources, though popularly exaggerated, are great. Its population is the greatest — a fourth of the human race.

Yet there is a constituent of national importance without which China cannot express the power residing in geographical position, resources and population. It is organization. From the standpoint of world power a country's population and resources are measurable mainly by organization. Machiavelli observed this in his political studies. In assessing France and the Germanic countries in the sixteenth century, he remarked that while the German states wholly exceeded France in social and political power, the French were vastly preponderant in "political power at home and military power abroad." The reason lay in the evolution of France out of the category of geographical expressions. China, too, is emerging from this category; it is reaching out to a national organization which will realize at home and abroad the latent strength of its population, resources and geographical position.

The new movement must be understood against the background of the polity of China in its pure state before the establishment of the republic in 1911. The unit of a modern society is the individual; of China it was the family. China was a vast aggregation of community-families lying midway between the western family and the primeval tribe which acknowledged no extra-family responsibilities beyond those required by necessity. Coöperation, for example, was conceded through trade guilds, but public duty or even political consciousness were unknown conceptions.

The social unit imposed on its members an unwritten code of immemorial custom more binding than law. Having yielded so much of their individual liberty to the state and its agents, westerners find it difficult to appreciate the extraordinary discipline inculcated by this system called familism. At every breakdown of government in Peking I marvelled at the lack of popular

reaction. Let the political machinery collapse: life would go on precisely as before; crime would be neither more nor less; the bazaar would not abate its buying or selling.

That sage and seasoned traveller, the Abbé Huc, has given us an urbane picture of this popular unconcern in the state. In 1851 he and his friends tarried overnight at a village inn near Peking, where they engaged the local worthies in conversation on the succession to the throne. They advanced hypothesis after hypothesis, but "to all our piquant suggestions they replied by shaking their heads, puffing out whiffs of smoke and taking great gulps of tea." "This apathy was really beginning to provoke us, when one of the worthy citizens, getting up from his seat, came and laid his two hands on our shoulders in a manner quite paternal and said, smiling rather ironically, 'Listen to me, my friend! Why should you trouble your heart and fatigue your head by all these vain surmises? The mandarins have to attend to affairs of state; they are paid for it. Let them earn their money then. But don't let us torment ourselves about what does not concern us. We should be great fools to want to do political business for nothing.' 'That is very conformable to reason,' cried the rest of the company; and thereupon they pointed out to us that our tea was getting cold and our pipes were out."

The complement of familism was a patriarchal state whose mandate was theocratic but whose chief support was philosophical non-interference. Confucius praised the Emperor Shun because he did nothing yet governed well; "religiously observant, he sat gravely on his throne, and that is all." The Chinese were practically free from regulation because they had regulated themselves through family codes; a written contract is still something of a novelty. Government trickled down to the people along a line of officials or mandarins constituted out of the literati, but it never overrode custom. Thus the Chinese social system produced a localism out of keeping with the modern tendency toward the mobilization of power.

The fall of the monarchy threw the system out of gear; China put on the outward forms of democratic government. Familism itself became corroded by the growth of internal and external communication. In a world organized on a western basis it was inevitable that it would be affected by the introduction of Occidental forms of social organization.

There has been a more active agency in the undermining of

social foundations in China than the natural drip of *Zeitgeist*. The conversion of Chinese modes has been forwarded by the invasion of a new intelligentsia Occidentalized in western universities in China and abroad. The first batches of returned students found all avenues leading to official employment held and guarded by the old literati, who, steeped in tradition and secure in their vested privileges, diverted their challengers to the fields of business and education. In those fields flowed new springs of modern organization which by their introduction of new values were productive of discontent with existing standards.

The household industry and the family concern held sway until the homecoming of the students. It was a confirmed practice at the year-end to divide the profits and leave no surplus for reserves or contingencies; the business was the family ricebowl. The evolution from personal responsibility has given rise to difficult family adjustments, and there are many foreigners in China who have held lucrative berths in Chinese firms solely that they might act as buffers to divert profits at the year-end from the ricebowls of predatory relatives to the firm's bank account. So deeply ingrained was family responsibility that no business man would flout any such private demand upon his surplus earnings. Things are changing in this respect, and native corporations with far-flung ramifications are springing up rapidly, though the joint stock company is still rare. The next step was to de-personalize the threads of economic coöperation between businesses and strengthen them into nation-wide associations. These have proved their vitality by flourishing and expanding throughout the civil wars and revolutions since 1911. Some inkling of their growth may be gathered from the present-day interlinking of modern chambers of commerce and banking associations in national bodies whose influence upon affairs has been conceded many times since the Nationalists founded the new government at Nanking.

In this way the Occidentalized intelligentsia supplied the impetus to the broadening of Chinese familism into nationalism. The movement was totally unlike the French Revolution or the American Revolution in that it did not spring from the people themselves. There are 400,000,000 people in China, isolated by familism and lack of communication, and only a fringe of them were touched by these new activities. The new intelligentsia realized that in spite of the fact that, unlike India, China has no

dividing lines of race, caste, or religion, progress would be slow if left to evolution. So they sponsored irredentism — the redemption of Chinese sovereignty — as the *via media* of nationalism. Because of the psychology of the Chinese, as well as the circumstances of treaty relations, the mechanics of China's economic relations with the outside world are a quasi-monopoly in the hands of foreign interests. It was the aim of the Nationalists to capture it. At the height of the Revolution, in 1926, General Chiang Kai-shek said: "Before imperialism is crushed no Chinese merchants, however powerful, can develop their business to the fullest extent. For example, if we do not beat down the Hongkong and Shanghai Bank [a British enterprise] Chinese will never be able to open their banks with any hope of lasting success." The crusade against "swallowing the poison of the imperialists" was directed primarily against those so-called unequal treaties which confer upon foreigners immunity from Chinese jurisdiction, control of the Chinese customs tariff, and concessions and settlements on Chinese territory. These treaties at that time were the reason for the concert of the Powers in dealing with China.

In the absence of religious or any other corporate sentiment with the properties necessary to rouse public spirit, here was the dynamite with which to goad the people into political unity. For the Chinese are innately hostile to non-Chinese; anti-foreignism is the only social trait that has linked familism into a pattern of political uniformity. It derives its origin from the time when Chinese civilization was so preëminent in Eastern Asia that the surrounding peoples had to imbibe their culture from it. This has given to Chinese superiority that sense of living reality which the ancient Greeks felt for their civilization. Reporting the return of one of the first New England clippers from China, a correspondent wrote to James Madison: "It seems our countrymen were treated with as much respect as the subjects of any nation; i. e., the whole are looked upon by the Chinese as barbarians, and they have too much Asiatic hauteur to descend to any discrimination." It is only since 1860, by a special clause in the treaties, that the character signifying "barbarian," which had always been employed in official documents as synonymous with the word "foreign," has been disallowed. The banned word is still used as an epithet to throw in the wake of a foreigner, especially in time of trouble.

Anti-foreignism was used so efficiently that it has brought the

new intelligentsia into political office, leaving China saddled with the relics of revolutionary slogans which give thousands of Chinese the impression that the revision of the treaties means that all foreign property in China will immediately revert to the Chinese people. Nanking is now trying to make cement out of this dynamite; irredentism and extravagance have to be led to true nationalism and sanity.

II

The Nationalist Revolution owes its present success as much to the complaisance of the Powers as to the exuberance of the Chinese. In marked contrast to the crushing of the T'aip'ings in the sixties and of the Boxers in 1900, no effort was made to frustrate the Nationalist movement. To understand the reason we must turn back many pages of contemporary history.

The World War destroyed an equilibrium based upon a balance of power in Asia as well as in Europe. The League of Nations redressed more or less the equilibrium in Europe, but its influence did not extend to Asia, and the Powers had therefore to make some move toward an understanding over policy in that continent. The need was first appreciated by President Wilson who, responsive to the traditional American attitude of coöperation in the Far East, engineered the first rapprochement. When he became President he caused the American banking group to withdraw from the first China Consortium, but during the Peace Conference he inspired a new international Consortium, destined to replace competition with coöperation in financial dealings with China and to abate the rivalries which it was feared would return in the Far East as soon as the industrial nations resumed the marketing of supplies from machines expanded by employment during the war. Being unrecognized by the Chinese, the new Consortium has advanced no loans; in any case the chaos in China would have kept money away. But its fruits, though negative, have been real, inasmuch as there has been a cessation of concession-hunting within the limits bounded by the agreement.

The second effort to reëstablish equilibrium on an equally broad basis came about at the Washington Conference. The aim in this case was political equilibrium. Though it determined politically to assume no responsibility for the settlement of European affairs or for the League of Nations, the United States took the initiative at the Washington Conference in proposing a new

modus of relations in the Pacific. Both events were in line with tradition, but they were so accentuated as to reveal a new, almost subconscious, orientation of outlook toward the Pacific.

The fear of Pacific disorder was the main determinant of the Washington Conference. It gave birth to certain resolutions and pacts intended to cement the concert of Powers in diplomacy concerning the unequal treaties. The absorption in limitation of armament, however, has obscured the Pacific resolutions, and it is not generally appreciated how awry they have become. In an endeavor to insure a common front toward China the Nine Power Pact provided for "full and frank communication" among the signatory Powers in future diplomacy in China. This front has been shattered by the challenge of the Chinese Revolution. Over the head of the international tariff control set out afresh by the Washington Conference, Nanking has announced its own schedule of tariff duties, and it has done so on its own terms. It is arbitrarily denouncing, one after another, all the treaties conferring unreciprocal rights on foreigners. Extraterritoriality, which gives foreigners immunity from Chinese jurisdiction, is in the melting pot, though there is little evidence of the implementing of western codes of jurisprudence which the Powers have hitherto required and which the Chinese have drawn up. All these actions are the outward sign and symbol of China's unilateral abolition of that wardship which the Washington Conference at once mitigated and perpetuated. They are the effective assertion of sovereignty for the first time since China came into contractual relation with the western world.

The China resolutions at the Washington Conference failed to foresee this irredentism, the warning signal of which was furnished as far back as the Versailles Conference when China refused to sign the Peace Treaty. Subsequent events should logically have brought about unity of action among the Powers in preserving their treaty rights or in liquidating them. Instead, jealous of influence and fearful of inviting a Chinese boycott of their trade, they maintained a solid front on a plank of donothingness. France's quarrel with China for several years blocked the review of the Chinese tariff which China was promised at the Washington Conference. When the tariff conference met in Peking in 1926, the result was abortive; the Chinese had become interlocked in the nationalist revolution and it was impossible to secure the continuous attendance of a Chinese delega-

tion. The search for delegates, however, was less ironical than the search for a palliative of the treaty régime which the Nationalists were rending the country to end.

The post-war concert of Powers was already weakened by the absence of Russia and Germany. China saw that the front patched up at the Washington Conference could be punctured by singling out one Power for boycott. Great Britain was the first victim. Eugene Chen, who injected forcefulness into Nationalist foreign policy, once told me that Britain was chosen, first, because the new elements in Britain's political life were conceding articulation to subject countries, and, secondly, because the blow to its economic life would not be serious enough to invite retaliation. England's trade with China is 2 percent of its total foreign trade; Japan's is 25 percent, and a boycott of Japanese goods would therefore have incurred trouble. On this assumption the pressure against England gathered strength until in 1927 it faced Great Britain with dispossession by mob violence of that important *entrépôt* of mid-China, the British Concession of Hankow. Downing Street did nothing to prevent it. Not only were the British sailors on duty restrained from affording protection; the Chinese revolutionary leaders were invited to collaborate in police measures, and, being themselves helpless, allowed the mob a free field. This is how a member of the foreign volunteers described the affair to me: "We were at the headquarters awaiting orders when our officers came in with some Chinese officials. They conferred a while. Chinese soldiers came in and were lined up opposite us. I can tell you we were in a state of suppressed excitement. We fingered our Lewis guns and at the slightest provocation would have let go. But we were bewildered; what was happening? Then we got the order 'Take out bolts. Quick march.' That was a little too much. We mutinied; we would not leave the hall and march out among the howling Chinese without our rifles. We were allowed to take them, but under Chinese escort. Our last ceremonial act was to salute the Chinese officer. Many of us broke down under the humiliation."

Hankow is perhaps the outstanding example of Europe's humiliation in Asia from the standpoint of the prestige that the White Man built up in the nineteenth century. It marked a surrender dictated by profound changes in bases of conduct in Asia. It showed British imperialism of the old order in full retreat. Manchester commerce, which urged "tradesmanship"

and "clever pacifism" as the new keynote, allied itself with the self-determinationists against the demands of those English Tories who saw foreign policy simplified for all time in the precedents of Palmerston. "We cannot do business at the point of a bayonet," said the *Manchester Guardian*, and this was the argument which prevailed over the views which saw in the Chinese challenge to overlordship such a menace to British imperialism as would, in the words of Lord Meston, "echo down the whispering galleries of Asia." In the teeth of Tory clamor the Hankow dispossession was ratified by agreement.

The other Washington Conference Powers looked on apathetically while Great Britain was made the whipping boy of the treaties. Action on the basis of British requests to revise relations in the light of this rumbling nationalism would have imperilled a unanimity insured by do-nothingness. The British memorandum of Christmas 1926 was the first recognition of dissension among the Powers on the question of reshaping the China provisions of the Washington Conference. Great Britain then publicly avowed its anxiety to revise the treaties as soon as there was a government in China capable of negotiation.

The announcement of the treaty-revision policy did not harden into a cornerstone of conduct without much heart-searching at Whitehall as to whether the quite different problem of protecting life and property should not countenance treaty protection instead of treaty revision. This arose out of the hoodlumism of 1927. The Chinese in Hankow failed for a long time to live up to their agreement, as was inevitable in the circumstances of the turbulent times; in consequence, the British Government considered the possibility of forcibly retaking the Concession. It put up the fateful decision to the British Minister in Peking for his judgment, and he called into conference several of the leading Britons in Peking and Tientsin. The response was unanimous that once having taken the step of admitting Chinese control, the British could not go back on that act and expel the new occupants. It was felt that this would brand the British as bullies, since at that time the Chinese, no longer exuberant but thrown into schism over the control of the revolutionary movement, were much more vulnerable than they were when the Concession was relinquished. These counsels prevailed.

A second problem arose over the outrages committed by the Revolutionary troops after they had captured Nanking in March

1927. These excesses almost drove the Powers back to unanimity, not in defense of any treaty rights but in reprisals. Under British leadership, the Powers, challenged by the vexatious Mr. Chen, had formulated drastic sanctions to blockade the entire Yangtze delta, when the State Department, alarmed at their possible implications, suddenly withdrew from participation in the *démarche*. Its action, historically considered, was one of the most significant in the foreign policy of the Coolidge Administration. It stopped in one swift stroke a reaction, dizzily gathering momentum, to return to gunboat policy on a large and immeasurable scale. The State Department set world policy toward China definitely along the line of forbearance and insured the success of Chinese Nationalism. The other Powers fell back into confusion, and sanctions were quietly buried with the shades of Palmerston and Salisbury.

In the last twelve months the Powers have accepted the break-up of their common front and have pursued separately their negotiations with the Chinese Government. The Nanking outrage has been settled unostentatiously by the offended Powers acting individually and insisting only on the mildest form of reparation. The denunciation of unequal treaties has been acquiesced in by the separate negotiation of new agreements looking to the establishment of relations with China on a footing more in harmony with the principle of reciprocity. The United States was the first Power to negotiate a new treaty and thereby to accord what has later been admitted as recognition of the new Nanking régime. Washington, which reasserted its leadership after the Nanking affair, has thus established it positively in reconciling the outside world with the new China. The treaty tacitly acknowledged the collapse of joint representations on rights and privileges held in common with the other treaty Powers. It restored to China freedom to levy its own tariffs but retained the most-favored-nation clause under which the United States would have shared in any tariff concessions to other Powers. Japan, the last contender against tariff autonomy, could not hold out, and the new Chinese schedules are now in effect.[1]

Will separateness in representation continue regarding unequal treaty rights other than those involving the tariff? The United States led the way over the tariff; Italy has agreed to relinquish extraterritoriality, with the same reservation that it must remain

[1] Cf. Walter H. Mallory: "China's New Tariff Autonomy," FOREIGN AFFAIRS, April 1929.

a gesture until the other Great Powers follow suit. The lesson of the scramble for agreements with Nanking would seem to be that we are entering upon a new era of "lone hand" diplomacy in China. "Full and frank communication" about these individual arrangements appears to have been relegated to the same limbo in which are disappearing all treaties and resolutions conferring common privileges and necessitating common action. The coming responses to the Chinese request for the abolition of extraterritoriality will afford another test for a united diplomacy.

III

China has not yet reached that haven of political unification in which it can apply itself to reconstruction along national lines. Order has to be restored after a decade of strife, military or factional schisms are again cropping out, agrarian discontent is rampant, vast areas represent a deadweight of political phlegmatism because familism is still the dominating factor of their organization. All this must retard the consummation of modern political organization. This is admitted in the form of government provided by the Nationalist régime. Phases of political development are mapped out in Dr. Sun Yat-sen's *vade mecum* of government[2] in accordance with which China is ostensibly undergoing a political tutelage exercised by a clique of Nanking oligarchs. The source of their authority resides with the national congress of the Kuomintang, the convocation of which this year was more than two years overdue because these leaders, as they themselves admitted, were afraid to call it. To protect their own position they reserved the right to name a large proportion of the delegates from the district branches. Thus while the old familism is breaking up into individualism, the corporate soul of the people (even of the dominant party itself) is being arbitrarily held in safekeeping by the Nanking leaders until such time as this new-found individualism shall have cohered into a national consciousness.

Paternalism still, but paternalism in evolution. Watchers of the Chinese skies, thinking particularly of the restiveness of the Kuomintang rank and file, cannot imagine that the Chinese people will readily consent to political development by rote after their dormant powers have been so violently excited. Prognosti-

[2]Cf. Hiram Bingham: "New China's Political Bible," FOREIGN AFFAIRS, January 1928.

cation is idle in the case of a country which the dissolution of the disciplines imposed by the old order has made a Tom Tiddler's ground of misrule. Though revolutionary evolution is attested by history, progress sometimes veers away from original plans, and throws up leaders who contest for the privilege (not to mention the plums) of doing the tutoring. The present chrysalis of political organization in China may thus pass through many metamorphoses before it attains maturity.

It is evident that the Nanking government, like the world in general, stands appalled at the tasks involved in the nation-making process. It is acquiring power, but mainly from the concessions the Powers make to it. Though it has erected an impressive governmental façade called the Five-Council Government, it dare not test its domestic authority by descending from the intoxicating heights of irredentism to the practical but uneasy tasks of internal reconstruction. Of these the principal is the introduction of a system of separation of powers as between state and provinces resting upon the centralization of military and financial control. The time for this is not yet ripe. Thus we find that though China has obtained from other nations control of its import tariffs, it continues tacitly to acquiesce in the imposition of crippling taxes on internal trade by the more or less independent neo-Tuchuns (territorial governors) of the Kuomintang.

Reciprocity, indeed, may prove a boomerang. Eighty years ago China's refusal to extend reciprocity to "outer barbarians" caused the Powers to impose the treaties withholding reciprocity from China. Under a reciprocal régime non-missionary foreigners would not be restricted in residence to the treaty ports, as they are now, but would have full liberty to reside and carry on business throughout China. This liberty has been conceded in one of the first reciprocal treaties — that with Belgium — to the alarm of conservatives and radicals alike. They fear the extension of that foreign economic encroachment which has so far been confined to the treaty ports.

Nationalism may be furthered when China reaffirms the political responsibility which it jettisoned for the duration of the Revolution. With the return of responsibility may come a regard for *Realpolitik*, which is necessary not only to political but to economic reconstruction. Evidence of a realization of responsibility is not lacking in Nanking. It has not celebrated its newfound freedom to levy its own tariffs after eighty years of foreign

control by putting up barriers as high and protective as its own Great Wall, but has adopted a tariff which the Powers themselves helped to draw up at the tariff conference of 1926. Such moderation may perhaps be traced as much to the growing influence of Chinese business as to the need for *Realpolitik*. For what is clear amid all the Chinese imponderables is that economic agencies are quietly binding the country into a national economy and reaching up toward political expression. This is the main nationalistic influence in China today. It may eventually keep this great people together and lead them to a power which they have hitherto been unable to express because of familism. It will be the best insurance of a status of equality in the world family.

China's march toward a national position corresponding with its potentialities may reveal one of the world's great transformations, but it will not come about without external aid. Here is the crux of future diplomacy toward China. That diplomacy, like all other diplomacy, will be increasingly concerned with economic relations. Will it disintegrate along with the diplomacy over common political privileges? Is the prospect a return to the pre-1900 conditions which were called the "Battle of the Concessions?" The new China will some day need financing, for which the machinery has been provided by the American-inspired international Consortium. It may be that the new order will call for changes in it or the creation of a new agency attracting Chinese confidence. But guarantees are required on China's part. Nanking's weakness is exemplified in the fact that while half the disbursements of the Nanking government go into the warlords' coffers, the interest on certain properly-contracted loans remains unpaid. The task of resuscitating and developing the subcontinent of China cannot therefore be achieved until a justifiable touchiness, having ceased to balk at the word "security," finds the basis of negotiations in realities. Just as weakness in Asia was the condition favorable to territorial aggrandizement in the nineteenth century, so strength and enlightenment are nowadays necessary to economic aggrandizement. East and west can meet in the economic world to their mutual advantage.

AN AMERICAN SUBSTITUTE FOR BRITISH BLOCKADES

By Charles Cheney Hyde

IF Great Britain, acting on behalf of the League of Nations, should blockade the territory of a state that had gone to war in contempt of its peace pledge as a member of the League, what would the United States do? Sometimes the question is put thus: Is it conceivable that the American and British navies might some day clash because the United States stood for its full rights as a neutral? These queries, which are not infrequently heard, point to a major problem of American diplomacy.

Great Britain, like other members of the League, has accepted some heavy burdens. Among them is the duty, under certain circumstances, to prevent all financial, commercial or personal intercourse between the nationals of a League member which resorts to war in disregard of the Covenant, "and the nationals of any other state, whether a member of the League or not." The matter of sanctions is broadly dealt with in Article 16 of the Covenant. At Locarno in October 1925, Messrs. Beneš, Briand, Chamberlain, Mussolini, Skrzynski and Vandervelde, informed Germany that Article 16 "must be understood to mean that each state member of the League is bound to coöperate loyally and effectively in support of the Covenant and in resistance to any act of aggression to an extent which is compatible with its military situation and takes its geographical position into account." Now the British Government doubtless would assert the right to judge for itself whether in a given case a British blockade against a covenant-breaking belligerent were essential or desirable; they might be slow to admit that any duty to the League demanded recourse to that particular measure. Nevertheless, it must be assumed that a British Government might sometime regard it as a British duty or privilege, and this possibility causes much perplexity on both sides of the Atlantic. Here is the reason.

America and England are still miles apart in their views as to what international law permits a blockader to do. The issues of 1915–1917 remain unsettled. The United States maintains that a belligerent may not, under cover of blockade, place a screen or barrier before neutral commerce with neutral states near the

territory which the belligerent is seeking to blockade. It is contended that innocent traffic with neutral territory is sure to be interfered with if a country such as Great Britain renews the claims which it made during the World War and uses its navy to enforce them. What causes anxiety is not the prospect of a blockade of the kind generally acquiesced in up to 1914, but departures from it which the United States has never admitted to be sound. Thus the operation of any plan which encourages Great Britain, even for a good cause, to exercise what it has heretofore asserted to be the full measure of its rights when at war, is looked upon with something akin to dismay.

If while remaining at peace with a covenant-breaking belligerent Great Britain nevertheless undertook to blockade its territory, a real difficulty might also be anticipated. The United States does not contend that a pacific blockade is necessarily illegal or unjust. But it does maintain that international law confers no privilege on a pacific blockader to enforce its measures against the ships of third states. It does not admit that those ships or their cargoes may be lawfully seized or sequestrated. Our country might therefore be expected to make vigorous objection if Great Britain as a pacific blockader employed its naval power to bar the access of American ships to the ports of the blockaded territory. Nor would the United States be disposed to admit that the high purpose of the blockader or the sinister conduct of the covenant-breaker justified the sacrifice of the normal privileges of merchant-ships on the high seas in time of peace. Those privileges, which were given fresh recognition in a recent decision of the Permanent Court of International Justice, are still highly held in America.

In either of the two circumstances suggested the United States would not admit that Great Britain by the fact of belonging to the League could gain any right of blockade which it otherwise lacked, or that acceptance of the Covenant by numerous countries could take from an outsider such as the United States privileges which it normally enjoyed. It would object primarily to the disregard of an underlying principle. Inconvenience and loss of trade might appear to be of much less concern. It will not do to dismiss these contentions with the suggestion that they would be reactionary or hostile to a new spirit of international coöperation. The fact must be reckoned with that, if occasion arose, they would in all probability be made and stoutly defended

by the United States. We should maintain that they rested on a rock foundation, namely that international justice is not promoted by relaxing respect for the principles of international law, and that those principles remain the law until substantially the full membership of the family of nations decrees otherwise.

Must we, then, accept Anglo-American disputes over blockade as normal incidents of the future? What follows is an attempt to suggest how we might escape such an issue. If one can remove from Great Britain (as well as from the League) the feeling that a British blockade is a necessary means of penalizing an aggressive and faithless belligerent, then the danger of an Anglo-American controversy vanishes from the horizon. But this must remain an empty dream unless the United States undertakes itself to provide an effective substitute for the measures which it opposes.

The United States is already in a position where it can do something; but it needs to be able to do a great deal more. Through the Treaty for the Renunciation of War signed at Paris on August 27, 1928, and approved by our Senate on January 15, 1929, we are winning the pledges of very many states that the settlement of conflicts between the contracting parties "shall never be sought except by pacific means," and that war is renounced as an instrument of national policy. If that pledge to us were broken we should as a nation feel a sense of outrage. Indignation might arouse our people to give moral and material support to the enemy of the treaty-breaking belligerent. But when it came to governmental action, the United States would not be free. It would still be obliged to abstain from acts of partiality. It could not lawfully, while still remaining at peace, withhold from the treaty-breaker aid of the sort which it permitted its enemies to extract from American territory. In a word, the United States could not in many practical ways penalize the wrong-doer without violating its duties as a neutral. What seemingly escapes the eyes of many people is the fact that a breach of contract on the part of the faithless belligerent could not lessen our duty as a neutral to deal impartially with it as well as with its enemy. As the Secretary-General of the League of Nations well said in 1927: "A belligerent's rights towards neutrals do not depend upon the legality or illegality of its conduct in resorting to war." The Treaty of Paris of August 27, 1928, does not purport to cover the matter.

But between states which have subscribed to the Covenant of

the League of Nations the situation is quite different. Considerable latitude is yielded to members in applying sanctions against a covenant-breaking belligerent; and they are not necessarily obliged to become its enemy. The covenant-breaker has agreed in advance to the League system of applying penalties under the conditions set forth in the Covenant. Between League members the strict obligations of neutrality may cease to exist.

The power of the United States for peace would be enormously strengthened if it could acquire a relationship to a contracting state which breaks its pledge under the Treaty of Paris analogous to that which a member of the League possesses with respect to another member which breaks the Covenant. We too need a modification of the laws of neutrality applicable to states which contract with us for the amicable adjustment of differences and for the renunciation of war. We need to attain a position where as a neutral, without violating any obligation to anybody, we may withhold aid and comfort at any time from a state which breaks its pledge to us and embarks upon a belligerent program which it has agreed with us to renounce. If we desire to be able to penalize that state without becoming its enemy, we must obtain from it the assurance that our inflicting of specified penalties upon it as a covenant-breaker is not necessarily to be deemed an unfriendly act, still less an unneutral one.

A slight addition to the Treaty of Paris might afford us the necessary latitude, or possibly a fresh supplementary convention would be preferable. But the method and form of agreement are unimportant. The main point is that there should be an agreement and that it should at least permit a contracting party, such as the United States, to cut off intercourse between its own territory and that of the treaty-breaking belligerent without itself becoming a party to the conflict. The United States would then be enabled without danger of subsequent embarrassment to offer a feasible substitute for a particular measure — blockade — which seems to it to be highly objectionable.

The depth of the American interest in deterring recourse to blockade is not yet clearly understood abroad or at home. We are as much concerned with the methods by which other states may attempt to penalize a covenant-breaking belligerent with which we remain at peace as we are with the fact that it is to be penalized. Our readiness to coöperate with the countries of every continent for the maintenance of peace implies no acquiescence

in the employment of sanctions which we oppose. There is no warrant for believing that in consequence of the Treaty of Paris the United States might be disposed to acquiesce in the establishment of a British blockade in behalf of the League of Nations. The facts are likely to be quite the reverse. American coöperation with other states for the sake of peace, especially in the penalizing of treaty-breaking belligerents, is likely to be proportional to the readiness of those states to utilize sanctions that harmonize with American thought. Thus the constructive contribution which the United States may be expected to offer for the solution of the general problem will call for the use of methods which perhaps differ widely from those heretofore accepted in many quarters as feasible and necessary. We should not, of course, oppose the performance of legal duties which other states have contracted with each other under the Covenant. Nevertheless, the United States, aware of the influence of its own action upon the success of particular contestants in future wars, may deem it reasonable to demand that the exercise of that influence as an obstacle to a treaty-breaker should depend upon the readiness of countries with which we may be aligned to refrain from conduct which we deplore.

The matter of a British blockade is in point. The United States might address Great Britain somewhat as follows:

"We do not agree with you as to the rights of a blockader. Under Article 16 of the Covenant of the League you enjoy large discretion as to choice of means to use against a declared aggressor. Do not resort to blockade, whether you remain technically at peace or whether you go to war; at any rate, do not use your naval force to assert what you deem to be your rights as a blockader against American shipping. We in turn will agree that if a country breaks its covenant under our multilateral treaty and goes to war in contempt of its pledge to us, we shall endeavor to prevent all commercial intercourse through the American merchant marine, and all such intercourse between American territory and that of the treaty-breaker. But this must be done by American authority and not by a British fleet."

Two particular objections to this plan may be expected. The first is that in many situations we may not see eye to eye with the British Government as to the reasonableness of penalizing a particular belligerent. The United States may doubt whether the state in question has in fact gone to war in violation of any

pledge to any country. Such cases may arise, their probable frequency cannot be estimated. Nevertheless, it is also true that in consequence of the Treaty of Paris there are likely to be many instances when the United States and Great Britain (as well as its fellow-members of the League) have no difference of opinion as to the wrong done each of them by the same belligerent acts of the covenant-breaker, and as to the desirability of applying sanctions against that state. The plan proposed would take cognizance of this existing alignment rather than create a fresh one, and would make practical use of it by a means not obnoxious to American sentiment. It would serve to harness together for the cause of peace great potentialities that still remain unutilized.

A second possible objection turns upon the practical difficulty of our cutting off, by our own authority, intercourse between American territory and that of the proscribed belligerent. Though this difficulty ought not to be minimized it is far from being insurmountable. Once admitted that the United States is interested not only in witnessing the downfall of the treaty-breaker, but also in giving up something in order to bring about that result, the responsibilities may not appear too heavy to be assumed. The point to be emphasized is that if the United States should use the means at its disposal to prevent the departure from its territory of persons and things which it had reason to believe were destined for the territory of the treaty-breaking belligerent, it would strike a powerful and perhaps a decisive blow against it. And in return for the assurance that that blow would be struck, other maritime states, and notably Great Britain, might be willing to make the desired sacrifice.

The suggested procedure finds its root in a practice not unfamiliar to American diplomacy. An agreement not to exercise what are deemed to be rights or privileges, rather than an agreement to give them up (especially when there is controversy as to what they entail), has frequently proved to offer a practical way out of some difficulty. More than once Anglo-American relations have profited by the use of this method. The convention of January 11, 1909, concerning the boundary waters between the United States and Canada is a case in point. While each party reserved "the exclusive jurisdiction and control" over the use and diversion of all waters on its own side of the boundary line which in their natural channels would flow across the boundary or into boundary waters, an agreement was reached restricting

further obstructions or diversions affecting the natural level or flow of boundary waters except with the approval of an International Joint Commission. In this way Canada and the United States simply undertook not to exercise rights which neither was prepared to agree to abandon. Again, the liquor treaty signed by Secretary Hughes and Sir Auckland Geddes on January 23, 1924, marked sacrifices following the same general theory. We agreed not to exercise our right to keep sealed cargoes of intoxicating liquors outside of American territorial waters, and Great Britain on its part agreed not to object to our seizures of British vessels on the high seas adjacent to our territorial waters under circumstances when it did not admit that international law clothed us with the privilege of seizure. Each country thus promised not to assert what it believed to be its rights, because of the sacrifice which the other was willing to yield. Our relations with Japan have furnished a still more impressive instance. By the "Gentlemen's Agreement" of 1908, Japan undertook to prevent the emigration of Japanese laborers bound for the United States, while we on our part abstained from exercising our right to enact a rigid law designed to keep them out. There was solid reason for the agreement. We gave up something in order to save the pride of a friendly nation; and that nation by its own acts saved us from what we conceived would be economic harm.

The day has not yet come when we may expect Great Britain to agree to accept our theory as to the law of blockade, nor are we willing to yield to British theories enunciated in the World War. We therefore are not likely to succeed in reaching an agreement by means of diplomatic discussions as to just what the law is or what it ought to be. Nevertheless, the time may be at hand when an Anglo-American agreement that would result in dispensing with blockade may become feasible. As a preliminary we in the United States need to widen our sense of natural alignment with other nations opposed to covenant-breaking belligerents. But, as this article points out, we also need something more concrete — an assurance on the part of countries accepting the Treaty of Paris that a contracting party, such as the United States, may in certain ways proceed to penalize a treaty-breaking belligerent without becoming its enemy. With such a bulwark, we can take the next step and confidently enter into negotiations with Great Britain respecting blockades and the limitation of naval armaments.

THE 1908 PRELUDE TO THE WORLD WAR

By William L. Langer

BRITISH DOCUMENTS ON THE ORIGINS OF THE WAR, 1898–1914. Vol. V, "The Near East: The Macedonian Problem and the Annexation of Bosnia, 1903–1909." EDITED BY G. P. GOOCH AND HAROLD TEMPERLEY. London: H. M. Stationery Office (New York: British Library of Information), 1928, pp. 886.

IN the winter of 1908–1909 Europe quivered in fear of a general war. It was barely a year after the Triple Entente had been completed by the agreement between England and Russia, and hardly two months since the Young Turk Revolution had upset the traditional alignment of the Powers in the Near East. These two factors — the grouping of the Powers and their rival interests in the Near East — supplied the setting for the crisis. The trouble arose from the precipitate action of the Austro-Hungarian Government in proclaiming the annexation of Bosnia and Herzegovina, two provinces of the Ottoman Empire which had been occupied by the Dual Monarchy under a mandate from the Powers since the Congress of Berlin in 1878. Yet the conflict that threatened was not one between Austria and Turkey, but between Austria and Serbia; for Serbia herself had designs on these two Slav provinces. In other words, the so-called Bosnian annexation crisis of 1908–1909 had obvious points of similarity with the July crisis of 1914. It may, in fact, be aptly described as the prelude to the World War, for it raised issues which were not again to come to rest. In both cases there was the same Austro-Serbian tension, the same threat of intervention on the part of other Powers, the same division of Europe into two opposing groups. The question naturally arises why war was avoided in 1909 but not in 1914. An examination of the events of the earlier crisis in the light of the voluminous material that has now been made available will illuminate the more remote origins of the World War and at the same time clarify the course of developments in the crucial months of 1914.

Bismarck had established the ascendancy of Germany in Europe by building up the Triple Alliance and drawing into its orbit almost every nation of international consequence, including England and excepting only France. The alliance

between France and Russia, concluded within a few years of the Iron Chancellor's dismissal, represented a serious breach in this system and once again set up something resembling a balance of power on the continent, as Bismarck's successor frankly recognized. The Franco-Italian agreements of 1900 and 1902, in strengthening the French position, weakened the Triple Alliance correspondingly; while the Anglo-French entente of 1904 marked the definite turn of English policy from the Central Powers. According to the Germans this was the first step in the direction of the encirclement of Germany, a development of the greatest moment. Whatever may be said of the German attitude in the Moroccan crisis of 1905, it can hardly be denied that on the part of Baron von Holstein at least the object in view was to break up the new combination by dragooning France. The Kaiser, by the famous Björkö Treaty with Russia, hoped to attain the same result by gentler means. What actually happened was the very reverse of what the Germans had expected. At the Algeciras Conference the Germans were deserted by all the Powers excepting Austria. The Anglo-French entente was more firmly established and the unfavorable nature of Germany's position was more marked than ever.

The one bright spot on the horizon, as the Germans saw it, was the exhaustion of the Russians after the disastrous war with Japan and the revolutionary outburst of 1905–1906. But even this bit of consolation disappeared in a very short time. Alexander Isvolsky, who became Russian foreign minister in 1906, promptly set to work to iron out what difficulties with Japan had remained after the Peace of Portsmouth, and in August 1907 signed an agreement with England that settled the age-old problems of the two countries in Asia. At the famous Reval meeting between King Edward and the Tsar in June 1908 the question of Macedonian reform was discussed and the new Anglo-Russian entente thereby extended to the Near Eastern terrain.

The statesmen in Berlin were greatly exercised by these events. The relations between Germany and England had become steadily worse since 1901 and threatened to become serious as the result of the German naval program. The Germans refused to yield and consequently the future of Anglo-German relations looked darker than ever.

Baron Aehrenthal, the Austrian foreign minister, was more concerned with the Near Eastern aspect of the problem. For a

full decade the perennial question of the Balkans had been allowed to rest. Russia, engaged in the Far East, had concluded a number of agreements with Austria aiming at the preservation of the *status quo* and had coöperated with Austria in the program of Macedonian reform. It was expected in Vienna that after her rebuff in the Far East the Russians would devote themselves again to their traditional aspirations in the Near East. Isvolsky was distinctly a "westerner" in this respect and did not disappoint expectations. But he did not desire to arouse the hostility of Germany and Austria and never tired of giving assurances that neither the entente with Russia nor the Reval meeting was directed against the Central Powers. An exceedingly adroit man, he was ever ready for a plunge in *haute politique*, as his apologist says.[1] According to Sir Vincent Corbett, who knew him well, "he seemed to believe that the rest of the world existed to be outwitted by himself." "He loves academic discussions in which he can review the world from China to Peru, but he does not like the hard give and take of an argumentative conversation," said Sir Arthur Nicolson, the English ambassador to St. Petersburg. Isvolsky's idea was evidently to play the two ends against the middle, and to extract concessions from the Central Powers by demonstrating his friendship with the western Powers. Already in the autumn of 1907 he revealed to the Germans and Austrians his desire to see the Straits of the Bosporus and Dardanelles opened to Russian warships. Since her defeat in the Far East, he said, Russia's centre of naval development lay in the Black Sea, and she must secure access to the Mediterranean.[2] In Berlin and Vienna no opposition was made to these academic remarks, for it was believed that England, the traditional opponent of concessions to Russia in this question, would wreck the scheme as soon as it assumed concrete form. In this the German and Austrian statesmen were profoundly mistaken.[3] The English had long since given up the idea of maintaining the Turkish Empire at any cost, the more so as the German influence had entirely displaced the English at Constantinople.

General Conrad von Hötzendorf, the Austrian chief of staff, suggested to Aehrenthal that, if Russia intended to raise the

[1] Vox et Praeterea Nihil: "Baron Aehrenthal and M. Isvolsky," *Fortnightly Review*, September 1909.

[2] "Grosse Politik," documents nos. 7383, 7385.

[3] See the present writer's article in the *English Historical Review*, January 1929; and especially Baron M. de Taube: "La Politique Russe d'Avant-Guerre," Paris, 1928, p. 186.

question of the Straits, Austria should seize the opportunity to bargain and secure in return the consent of Russia to the annexation of the two Turkish provinces of Bosnia and Herzegovina, which had been occupied by the Austrians under a mandate from the powers given at the Congress of Berlin in 1878.[4] The problem of annexation had become an acute one since 1903, when, as a result of the murder of King Alexander and his queen, a new dynasty had ascended the throne in Serbia. The relations between Serbia and Austria had become rapidly worse and there was, undoubtedly, a great deal of agitation and Serb propaganda in the occupied provinces. The famous "pig war," or tariff conflict of 1906–1907, had made matters even worse, and the demand for vigorous action was becoming louder and louder in Vienna. Aehrenthal himself was not a partisan of rigorous measures. According to the British diplomats he did everything he could to remove the bad feeling between the two countries, while Pashitch, the Serb nationalist leader, was determined to free Serbia from Austrian political and economic influence and provoked Austria into taking a more and more aggressive attitude by making offers which, while only too reasonable from the Serbian point of view, were certain to be rejected at Vienna. Nevertheless Aehrenthal continued to hope for a pacific settlement, and desired to postpone the question of annexation of the two provinces until other clauses of the Berlin Treaty came up for discussion. His idea was still to coöperate as closely as possible with Russia.[5]

The change in his attitude came about after the dispute concerning the projected Austrian Railway through the Sanjak of Novi-Bazar to connect with the Turkish railroad to Saloniki. Austria had a right to such construction under the terms of the Berlin Treaty, but Isvolsky took a stiff attitude and maintained that a "bomb had been thrown between his legs." Unwilling to see Austria score a point, he declared that the Austro-Russian entente had been broken up through the action of the Vienna government. This did not prevent him from soon recovering, and in July 1908 he suggested to the Austrian Government an entente and a discussion of the problems of Bosnia and Herzegovina on the one hand and the Straits on the other, "in a spirit

[4] Conrad: "Aus Meiner Dienstzeit," Vienna, 1921, Vol. I, pp. 513, 516, 530.

[5] Conrad: I, p. 519; also Joseph Baernreither: "Fragmente eines Politischen Tagebuches," p. 77.

of friendly reciprocity." Although, in a number of earlier agreements with Austria, the Russians had given their consent to the eventual annexation of the two provinces, Aehrenthal was evidently much impressed by the willingness of Isvolsky to abandon the cause of the Southern Slavs.[6] Conrad had for some time been urging the desirability of coöperating with Bulgaria against Serbia and the ultimate division of Serbia between the two, Austria to incorporate the territory as far south as Nish. Aehrenthal had looked upon this as the only method of satisfactorily cleaning out "the Serbian revolutionary nest," but apparently it was not until August 1908 that he began to regard the solution as a matter of practical politics. Isvolsky's attitude, together with the uncertainty resulting from the Young Turk Revolution of July 23, 1908, evidently led him to believe that some such settlement, followed by the establishment of a Southern Slav state within a reorganized "trialistic" Hapsburg Monarchy, might be possible.

Both sides were, even at this time, playing a fast game. Isvolsky said nothing of his plans to his ally France, or to his friend England. He did not even consult Stolypin, the vigorous President of the Russian Council, whose opposition he had reason to fear. All intent upon the realization of his scheme to open the Straits to Russian warships, he was prepared to resort to any method. In February and again in the first days of August 1908 he had suggested in the council that some pretext be found for an attack upon Turkey, but on both occasions Stolypin had vetoed his proposals on the ground that mobilization in Russia would only add strength to the revolutionary movement and that "any policy other than a strictly defensive one would be the evil dream of an abnormal government and would spell disaster for the dynasty."[6] The little Slav brothers in the Balkans did not concern Isvolsky at all. Russia's policy, he had told the Duma in April, must be dictated by a healthy egoism — by which he meant, as he said to the German ambassador, that Russia must not allow herself to be misled by exaggerated emotions and by anxiety for the fate of the other Slav peoples to the detriment of purely Russian interests. He was simply hypnotized by the idea of securing the opening of the Straits for Russian ships,

[6] M. Pokrowski: "Drei Konferenzen," Hamburg, 1920, p. 17; E. A. Adamov: "Konstantinopel i Prolivi," Moscow, 1925, I, pp. 8–10; "Diaries of General Polivanov," quoted by Frantz in *Deutsche Rundschau*, February 1927.

although in Russian government circles there was considerable doubt whether such a concession was desirable or worthwhile.

The negotiations between Russia and Austria in July and August, and the development of the international situation after the Young Turk Revolution, resulted in the decision of the Austrian Government to carry through the annexation. The plan was to take the wind out of the sails of the Serbian agitators by granting the two provinces some sort of constitution, and to obviate the danger of a reassertion of sovereignty by the Turks by severing the last tie between the provinces and the Ottoman Empire. A meeting between Isvolsky and Aehrenthal was arranged for, though only with considerable difficulty. Aehrenthal was still angry about the attitude taken by the Russians in the Sanjak Railway affair, and Isvolsky was filled with distrust of the Austrian and of his Balkan schemes. The famous interview took place on September 16, 1908, at Buchlau, where the two statesmen conferred in private for fully six hours. Exactly what was said and what was decided upon will perhaps remain forever a mystery, since there was no witness. We do know, however, that the two statesmen "laid the Treaty of Berlin on the table, read it and reread it, page by page, article by article, the whole length and breadth of it, from one end to the other, not once, but twice, beginning with the beginning and then starting over again from the end."[7] Russian consent to the annexation of the two provinces was promised in return for Austrian approval of Russia's desires in the Straits question, under certain conditions. It seems fairly clear that Aehrenthal indicated that the annexation would take place in the near future, and that he agreed, at least in principle, to the eventual convocation of a European conference to approve the changes made by the Russian-Austrian bargain. But it is equally clear that at Buchlau the two statesmen did not deal frankly and honestly with each other, as one of Aehrenthal's acquaintances remarked.

The annexation was publicly announced by the Austrian Government on October 6. Through an indiscretion on the part of the Austrian ambassador to Paris, the French Government knew of it on October 3, and it now appears that Aehrenthal had also informed Sir Charles Hardinge, the English under-secretary for foreign affairs, by private letter on the same day. Even then it

[7] Statement made immediately afterwards by Isvolsky's secretary and quoted by Crozier in the *Revue de France*, April 15, 1921.

was no surprise. The newspapers had been filled with rumors for weeks and the step to be taken by Austria had long since become a "roaring whisper." Isvolsky, who had spent the intervening period in visiting Schoen, the German foreign secretary, and Tittoni, the Italian statesmen, got the news only as he reached Paris. Undoubtedly he would have preferred to approach the French and English statesmen himself, but he does not appear to have been much exercised by Aehrenthal's action. He had already seen Milovanovitch, the Serbian foreign minister, and had left him in despair. In Paris he spoke to Vesnitch, the Serb representative, and administered "some cooling medicine." While Vesnitch declared the annexation to be a "great national catastrophe" and a menace to peace in the Balkans, Isvolsky assured him that he had foreseen the Austrian action and asserted that the excitement of the Serbs was incomprehensible, that the Serbs were in actual fact losing nothing, while they were gaining Russian support.

But before long Isvolsky changed his tone, when he learned from St. Petersburg that Stolypin and the government were opposed to recognition of the Austrian action and that the press would not hear of the abandonment of Russia's "Holy of Holies," the Slav idea. The Russian minister was practically forced to deny his past and himself go back on the agreement with Aehrenthal, although obviously this involved the ultimate failure of his plan to open the Straits. He therefore denied that Russia had given her consent to the annexation and insisted on a European conference to discuss the matter and consider what compensation should be granted to other Powers. It was his last chance to secure what he wanted. If the friendly arrangement with Austria had fallen flat, perhaps the end could be attained by international pressure.

French statesmen took an attitude of the greatest reserve, deciding to leave the English to settle with Isvolsky. The idea of a conference appealed to them, because they had hopes that a preliminary agreement could be come to between Russia, France, England, Italy and Turkey, and that Austria and her ally, Germany, could once again be isolated and out-voted as at Algeciras. But the English position was unusually difficult. The statesmen in London resented having been left in the dark and they distrusted Isvolsky.[8] With the merits of the question

[8] John Morley: Recollections (New York, 1917), II, p. 277: "There has been such a quantity of intrigue, secrecy and downright lying that we don't know whether we stand on firm ground or on treacherous bog."

they had little concern. "Quite seriously," wrote the *Saturday Review* on October 10, "what has been done is so obviously the right thing, that, except for the breach of diplomatic etiquette and the sentimental offence to the Turkish party of reform, every sensible man should approve it. . . . Those who hope to gain by fishing in troubled waters will prefer a conference; those who want a quiet settlement will prefer an exchange of notes." Even the Russian proposals in regard to the Straits did not, in the abstract, upset them, and they had long since indicated their willingness to make concessions on this point. The crux of the matter with them was that Austria by the annexation, and Bulgaria by her declaration of independence, had upset the *status quo*, that Isvolsky's secret parleys with Aehrenthal had revealed the basic weakness of the Anglo-Russian entente, that the Central Powers were about to score a great success, and that, above all, the recent developments threatened to undermine the new influence acquired by England in Turkey after the revolution.

All this was made clear to Isvolsky when he came to London. Sir Edward Grey pleaded with him that the moment was very inopportune for the realization of his plans. "Turkey was hurt and sore at the slight put upon her by Austria and Bulgaria. It was hard enough that she should suffer this at the outset of what we hoped was a new and better era at Constantinople. We could not agree to add to her hardships by forcing upon her at once the embarrassing question of the Straits."[9] Isvolsky finally agreed to delete the Straits clause from the projected program of the conference, but urged some concession on the part of the English. Twice the matter was before the cabinet. The King, Sir Edward Grey, Asquith and many other ministers were in favor of acquiescence, but feared the force of public opinion. There was no advantage in the English right of ingress, they were agreed on that. "It is already a settled principle of naval warfare with us that in no case would our fleets enter the Straits unless Turkey were our ally. The condition of reciprocity, however, is a shop-window ware, since the public do not understand these strategical considerations," wrote Hardinge. So Isvolsky had to content himself with a compromise. In case of war, if Turkey were not involved, the Straits should be opened to all alike. In any

[9] Viscount Grey: "Twenty-Five Years," London, 1925, I, p. 172.

case Russia was to reach an agreement with the Turks and no pressure should be applied at Constantinople. The attitude of the Turks was perfectly clear, so that Isvolsky had little to hope for. He left London a disappointed man, with nothing to console him except the compliments of the English press upon his abnegation, self-restraint and loyalty, and the assurances of Grey that he was not opposed to the Russian desires in principle: "On the contrary, I positively desire to see an arrangement made, which will open the Straits on terms which would be acceptable to Russia and to the riverain states of the Black Sea, while not placing Turkey or outside Powers at an unfair disadvantage."

With that Isvolsky's scheme had fallen flat and he was a broken man. Both King Edward and Grey wrote letters to St. Petersburg supporting him in order to maintain him in office and avoid the humiliation of his defeat. The game was already up and the rest of the crisis is the story of the play of two rival groups of Powers centering on the question of recognition of the Austrian action. On the side of the Entente the policy was positively an insane one, because the two groups were in no sense equally matched. Austria was backed to the limit by Germany and both these Powers would have taken recourse to arms if necessary. Not that the Germans were favorably impressed by Aehrenthal's high-handedness. The Kaiser, who learned of the annexation later than the chief of any other state, was bitter in his denunciation of the Austrian action and felt that Germany had been duped in the most outrageous fashion. But with the conclusion of the Triple Entente Berlin was practically forced to stand by Austria through thick and thin. "For our attitude in Balkan affairs the needs, interests and wishes of Austria are decisive," Bülow had written before the crisis. He now demanded "la loyauté sans phrase," and the Kaiser agreed that it was the only course Germany could follow. Vienna was told that even in the event that difficulties and complications should arise, Germany's ally could count upon her. In a few words, Austria's humiliation would be Germany's humiliation.

As the crisis developed negotiations were opened between the German and Austrian general staffs to determine the conditions of the campaign if war should result. In a letter to Conrad dated January 21, 1909, the German chief of staff, Count Moltke, stated that Germany would support Austria if the latter were

attacked by Russia. This was in accord with the terms of the treaty of 1879. But Moltke went on to envisage the possibility of an Austrian invasion of Serbia to put an end to Serbian provocation. "I believe," he said, "that only an Austrian invasion of Serbia would bring about eventual intervention by Russia. In that event the *casus fœderis* would arise for Germany." What it amounts to is this, that Moltke recognized an attack by Russia upon Austria resulting from an Austrian invasion of Serbia as obligating Germany to support Austria. It has been claimed that this represents an extension of the alliance beyond the sense given it by Bismarck, but it should be remembered that Moltke, though his letter was approved by the Kaiser and Bülow, could not in this way bind the German Government.[10] Arrangements of this kind were frequently discussed and made by the general staffs of all countries. Furthermore, it should be noted that while Bismarck refused to support Austria if she provoked Russia, the situation in 1887 was fundamentally different, and even Bismarck in his heart of hearts was determined to rescue Austria from defeat in any case, for he regarded the continued existence of the Dual Monarchy as a great power as a primary interest of Germany. The crucial point is that Bismarck, unlike Moltke, scrupulously avoided informing the Austrians of his ultimate intentions. But it cannot be denied that the existence of the Triple Entente had put Germany in a position where she thought she had to support Austria and Austrian policy in the Balkans, almost *sans phrase*. The German statesmen genuinely feared that Austria might go over to Russia with "flying banners."

Both Russia and England knew, in 1908, that Germany was determined to go the limit, for the Germans told Grey and Isvolsky on numerous occasions just how they viewed the situation. The English, at least, did not resent this. In fact, Grey told the German ambassador that he understood the German attitude "because it was what we should have done in Germany's place." What the English were concerned with was their position in Turkey and above all the future of the entente with Russia. They knew all about Isvolsky, but felt that they had to do their best to support him, such as he was. While greatly desiring a naval agreement with Germany they felt that the Russian friendship was more important: "We have no pending questions with

[10] H. Kanner: "Der Schlüssel zur Kriegsschuldfrage," Munich, 1926; and the review by S. B. Fay in *American Historical Review*, January 1927.

Germany, except that of naval construction, while our whole future in Asia is bound up with the necessity of maintaining the best and most friendly relations with Russia. We cannot afford to sacrifice in any way our entente with Russia — even for the sake of a reduced naval program," wrote Hardinge.

The English, then, were determined to back the Russians, just as the Germans were clear as to the necessity of backing Austria. The great difference was that the English, from the start, had limited their support to diplomatic assistance. It was the only thing to do, for the English public would certainly have refused to support the government in any more adventurous policy, and the Russians were so notoriously unable to fight after the disasters of the Japanese War that Isvolsky himself had told Aehrenthal at the outset that Russia would not make the annexation a *casus belli*. As for the French, they were never more disinclined to fight for Russia on a Balkan issue. Clemenceau was literally haunted with the fear of European complications, which, in the last count, would compel France to bear the brunt of the German attack. In fact the French seem to have had hopes of eventually weaning Austria from her alliance to Germany much as they had already drawn Italy away from the Triple Alliance.[11]

In international affairs it is not good policy to announce in advance that you cannot or will not fight. This is what the powers of the Triple Entente did, and consequently their defeat diplomatically was a foregone conclusion. The English, from the start, were exposed to a serious setback in supporting Russia, for Isvolsky was determined to have his revenge. He fulminated against Aehrenthal to anyone who would listen, and people who came in contact with him in these months found him "suffocating with indignation." Russia no longer had anything to hope for from a conference excepting the humiliation of Austria. But Isvolsky saw an opportunity for revenge in pressing the case of the Serbs, who from the beginning had taken the view that they were entitled to compensation, a claim which the Austrians naturally denied. Aehrenthal at first paid comparatively little attention to the Serbs and concentrated on an agreement with the Turks. His theory was that once the Turks had been satisfied the other Powers no longer had a leg to stand on. In February 1909 the arrangement with the Turks was complete

[11] Philippe Crozier in *Revue de France*, June 1, 1921; Raymond Poincaré: "Au Service de la France," Paris, 1926, I, pp. 245 ff.

and the Austrians were able to devote themselves to the Serbian problem.

There was not the slightest indication that the Serbs would yield. Their attitude was throughout a reckless one. Even before the annexation the Serbian foreign minister, Milovanovitch, who was an unusually moderate man, had spoken to the English representative in terms of despair, saying that many Serbs felt that an adventure, even with the certainty of defeat, could not make the situation worse: "Even if the Austrian armies swept Serbia and she was annexed to the Dual Monarchy, her patriots would at least have the satisfaction of feeling that they were united with their brethren now under Austrian and Hungarian rule." After the annexation the Serb policy was unequivocal: "Either we shall make Serbia a huge cemetery or we shall make Greater Serbia," said one Belgrade paper.

Neither Germany nor England cared much about the Serbian claims. "Germany had little interest in the fate of Serbia, but she had a great one in the fate of Austria-Hungary. She would stand by her ally and protect her if necessary," said the German ambassador in Vienna. And Grey wrote: "I have not, myself, much sympathy with the clamour of Serbia and Montenegro for territorial compensation. If they are afraid of the Austrian advance, they had better sit still, put their own houses in order, make friends with Turkey and hope that she will get strong under the new régime. But I do not want to cold-shoulder Isvolsky on the Serbian question, if the Russians are keen about it." In actual fact the Russians were not keen about Serbian claims as such. Isvolsky's attitude has already been discussed. The Tsar's was not far different. To the German naval attaché he said that Serbia and Montenegro were comparatively indifferent to him. The point was that Isvolsky saw in Serbia the instrument of his revenge and so Serbia became the focus of the situation. Whereas Isvolsky had originally put aside the Serbian pretensions as impossible, he now began to encourage the Serbs to hope for compensation at the expense of Austria. It is true that he warned them about precipitating war, but at the same time he strengthened them in an aspiration which could be realized only by war. When the Serbian Crown Prince and Pashitch came to St. Petersburg they were given advice that could be interpreted in various ways. The Tsar said to the English ambassador: "I told him that because you consider yourself injured that is no reason why you

should crack your skull against a stone wall. You can gain nothing by that. You say that there are many Serbians under foreign domination: but do you think that this is a grievance peculiar to your country?" But we know that he also said that the Bosnian question could be settled only by war and that he would not recognize the annexation. The Tsar regarded an eventual conflict between Germanism and Slavdom as inevitable.

The English knew that the Russians had given the Serbs great encouragement, but Grey had promised to support the Russian position and he stuck by his promise. At the same time he backed the Russians in urging upon Serbia a defensive alliance with Bulgaria and Turkey to block the Austrian advance, a matter concerning which a great deal is to be learned from the British Documents. The upshot is that the tension between Serbia and Austria became greater and greater, till in February and March 1909 it seemed more than likely that war would result. Conrad urged this course eloquently, but Aehrenthal had given up his idea of settling the Serbian question by dividing the country between Austria and Bulgaria, and was now determined to effect a peaceful settlement if possible. In the end the English used their utmost influence to mediate, and finally found a satisfactory formula for the note which the Serbs were to hand in at Vienna. The solution came in the nick of time, for the Austrians had just decided to mobilize and make war.

By this time the Russian policy had collapsed completely. In order to bring the crisis to an end Aehrenthal threatened to publish certain compromising documents which would have exposed Isvolsky and his scheming. The Russians asked the Germans for good offices, but when the Germans presented a note enquiring whether Russia would agree to recognize the annexation by an exchange of notes should Austria request it, Isvolsky could not bring himself to make the sacrifice. After some delay the Germans followed their first note by a second, couched in stiff language, and Isvolsky gave in. He had not consulted either France or England, who had no objection to the German suggestion, but desired to make recognition of the annexation dependent on a satisfactory settlement of the Austro-Serbian crisis. Recognition in advance would have deprived them of the last leg they had to stand on, for it would have deprived the Serb claim of all justification. But here again they could not be too outspoken in their reproaches of Isvolsky, who insisted that the German

summons was the equivalent of a "diplomatic ultimatum." The Austro-German alliance, he claimed, had obviously been extended to include the Balkans, and Austria "was browbeating Russia through Germany." A Russian refusal would have led to an immediate attack on Serbia by Austria and perhaps an attack on Russia by Germany. France had left him entirely in the lurch. Her attitude was tantamount to a denunciation of the Franco-Russian Alliance.

The English were not deceived by these Jeremiads. They had replied to the German note by making acceptance of the annexation conditional on the Austro-Serbian settlement, and the French had done likewise. "Had he [Isvolsky] given a reply such as we gave to Metternich, it would have been impossible for the Germans to base an ultimatum upon it," wrote Hardinge. "In that event," wrote Grey, "there would have been no war — the result would have been just as it is now. . . . The result [of the crisis] would not have been so bad, if only Isvolsky had withstood German hustling for forty-eight hours." Finding that he had not made a very good impression, Isvolsky himself soon changed his mind. "Russia had received nothing more than a temporary diplomatic check and this was preferable to having been launched into war which might have had disastrous consequences," he told Nicolson, and later on he denied everything, describing himself "as the innocent lamb who had been destroyed by the wicked wolf." As for the reputed German ultimatum "he asserted that nothing approaching an ultimatum had been delivered to him; in fact, Germany had acted in a friendly spirit and had merely declared that if war broke out between Austria and Russia it would be very difficult for her not to stand by her ally. . . . In fact, Pourtalès came to Isvolsky like a cooing dove bearing a message of peace." On this note we may close.

The analogy between the crisis of 1908–1909 and the crisis of July 1914 has often been drawn. In both cases there was acute tension between Austria and Serbia, arising in large measure from the corroding Serbian propaganda against the Monarchy. In 1909 Austria all but declared war; in July 1914 she took the fatal step. On both occasions Germany supported her ally, while attempting to localize the conflict. England, on the other hand, backed Russia, which amounted to the generalization of the crisis.

So much for the points of similarity. They must not be pressed

too hard. The situation in 1908–1909 was fundamentally different from that of 1914. King Edward is reputed to have said that England in 1908 had fine friends: the one, Russia, could not fight, while the other, France, would not. From the start Isvolsky had announced that Russia would not fight, and it seems more than doubtful whether she could have done so even if Austria had attacked Serbia. The French, while asserting their loyalty to the alliance, made it sufficiently clear that they did not approve of the Russian tactics, and here, too, there is room for grave doubt whether they would actually have gone the limit in supporting Russia.[12] England was consistent throughout, but had declared at the very beginning that she would not go beyond diplomatic support. In 1914, on the other hand, the Russians were ready to fight and there was no Stolypin to hold them back by reasonable arguments. The French, even if they did not actually encourage the Russians, certainly did little enough to hold them back. The English, too, were prepared to see the thing through, however much they may have desired to avoid the conflict.

The crisis in 1908 was due in very large measure to the scheming and intrigue of Isvolsky. Aehrenthal's tactics were not sound and certainly not commendable, but the more we learn about Isvolsky the more it appears that he was "a very unscrupulous and unreliable man" to use the words of Sir Charles Hardinge. Mendacious to the last degree, high-strung and emotional, he was constantly engaged on selfish projects which were based upon ruthless lack of consideration for others, friends as well as foes. Under normal conditions his disavowal and dismissal would have been a matter of course. But he had to be held and he had to be supported, because Europe, in 1908 as in 1914, was divided into two hostile camps, each of which dreaded disruption and humiliation and in each of which the members had to be prepared to fight on an issue in which they had no direct interest. In 1908 the new-born entente was not ready for the conflict, but the scene was set. In 1914 the preparations were complete and it took only the least impulse to set the European cart going on the road to perdition.

[12] In February Isvolsky maintained that France had gone over to Austria "bag and baggage." On March 23 he told Nicolson that Russia had "no reason for trusting to the coöperation of France were she disposed to push matters to extremities." Somewhat later he asserted that France had made it clear that she would not lend material support. His apologist explains (*Fortnightly Review*, September 1909) that the French press had not been given a "refresher nor a retaining fee."

THE CHACO DISPUTE BETWEEN BOLIVIA AND PARAGUAY

By William L. Schurz

AS in the case of Tacna-Arica, the intrinsic value of the area in dispute between Bolivia and Paraguay is not commensurate with the persistence of the controversy or the bitterness of feeling which it has engendered on both sides.

The Chaco Boreal, or that part of the Gran Chaco involved in the quarrel, is still a little-known wilderness, with serious defects as a field for either agriculture or stock raising. Its surface is a vast plain, with a slope to the east so imperceptible that one of the most serious obstacles to its development is the lack of natural drainage. This condition is aggravated by an impermeable sub-soil, which, combined with the circumstance of heavy seasonal rains, turns much of the country into a morass for a considerable period each year. The few sluggish streams have not sufficient fall to carry off the water which spreads a continuous sheet over wide areas of the country. At this season, though the pasturage is luxuriant the herds of stock often are unable to find a place to lie down on the immersed savannahs, and for the human inhabitants the season is particularly trying. On the other hand, during the dry months the grazing lands may not afford sufficient feeding for the herds, unless they are distributed over a wider range than is necessary during the wet season, when the tall grasses rise well above the layer of surface water. Moreover, during the dry season there may be an actual dearth of good drinking water; not only is water scarce then, but much of it is salty or brackish. The outstanding feature of the Chaco landscape is the large extent of open grass country. The continuity of these prairie lands is broken at frequent intervals by islands of heavy tropical jungle or clumps of palm trees. The Chaco forest contains a number of useful hardwoods, including the red quebracho, lapacho and lignum vitae.

A number of Indian tribes of a very low cultural state roam the Chaco within fairly well-defined areas. While hostile on principle to the encroachments of the whites, they are not numerous enough to be seriously considered in the military calculations of the rival countries. However, they have interfered with the individual colonization of the interior. Occasionally some of them come out to barter at the trading posts along the Paraguay and a few are employed at taking out quebracho logs, but as a rule their only concern is to avoid the whites and their works as far as possible.

The principal industries of the Chaco are cattle raising and the production of quebracho extract for tanning purposes. The breeding of cattle in the region is of comparatively recent development. It was given a considerable impetus by the demand for low grade beef for canning during the last years of the World War, a demand which continued for a few years after 1918. Three meat canning plants were established on the left bank of the Paraguay River during that period. For a while they afforded an excellent market for the cattle of the Chaco, but when the European market for canned beef declined

two of the plants were dismantled. Since then the only real outlets for Chaco steers have been the one remaining plant at San Antonio, which later turned to producing chilled beef, and the old *saladeros*, which produce jerked beef. In spite of a few efforts to breed up the herds, most of the Chaco stock is still unacceptable to the *frigorificos* of Buenos Aires.

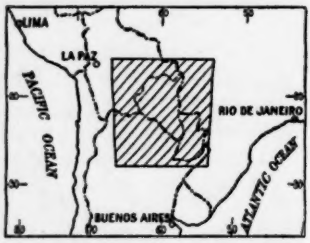
The quebracho-extract industry is dependent on the supply of the hardwood tree of that name, and as the reserves of the tree are exhausted in any particular district the manufacturing plant has to be shut down or dismantled

MAP OF THE TERRITORY IN DISPUTE

and set up in another virgin zone. Private railway lines have been built back some distance into the interior from each of the plants in order to keep them supplied with logs for grinding, and numerous cart roads have been opened as feeders to these railways. Of the quebracho companies, the International Products Company, with a plant at Puerto Pinasco, and which also operates the packing house at San Antonio, is American; the majority of the capital in the others is Argentine.

Little attempt has been made to develop general agriculture in the Chaco

Boreal, or to produce any particular crop, as is done in the Argentine Chaco, where a large area is planted to cotton. The agricultural settlement at Villa Hayes, a short distance above Asuncion, is no exception, since this locality is in reality a bit of eastern Paraguay that was isolated by a change in the course of the river. The colonizing project of an Oklahoma American in the lands to the north of Puerto Pacheco failed in 1920, when he ran afoul of the boundary dispute, which is particularly acute in that border district. The more recent concession granted by Bolivia to Colonel Murray, also of Oklahoma, for a colonizing enterprise on the Pilcomayo has encountered the difficulties inherent in all such schemes for making tropical pioneers of American farmers. However, the less exigent members of the large Mennonite colony in the region back of Puerto Casado appear to have fair prospects of success, after having overcome serious initial difficulties. These colonists, most of whom are of German speech, though they migrated to the Chaco from western Canada, are devoting their energies to stock raising and general farming. It is to be observed that such economic development as has taken place in the Chaco has been largely due to foreigners. Neither Bolivian nor Paraguayan capital or hands have played any appreciable part in the efforts that have been made to utilize the resources of the region disputed by both of them.



Key Map Showing Position of Disputed Area in South America

Although like Bolivia an inland country, Paraguay is much less preoccupied by the problem of outlets to the sea. While her communications with the Atlantic, both by rail and river, are across Argentine territory, Paraguayan policy has shown little concern at this limitation on her economic independence. The only alternative to the present situation would be to construct a railway across Brazil, but when they reach the survey stage the various projects for such a line have died of a mysterious inanition. Not only does Argentina wish to continue her influence over Paraguay, thus depriving that country of using Brazil as a counterpoise, but she would also appear reluctant to have Bolivia admitted to free navigation on the great fluvial system that radiates north from the River Plate. As an Argentine diplomat once remarked to me, "We do not want another flag on the Paraguay River."

Viewed objectively, Paraguay's most urgent problems are rather of an internal than an international character. Her outstanding need is for an increase in the production of exportable products, and, as corollaries to this, the construction of roads and the attraction of immigrants to her highly fertile lands. In view of this, her present extreme policy in the Chaco represents a diversion of national attention and energies from more fruitful channels of endeavor.

Bolivia's present situation, internally and internationally, is for the moment a difficult one. The new government which overthrew the Montes régime in 1920 has not established itself firmly enough in power to be able to give its uninterrupted attention to administrative and international problems. It has had to contend with an over-assertive military class and with risings of the aboriginal population, such as occurred in the Sucre district in 1927 and this

year in the vicinity of Garcimendoza. The nation is economically uneasy because of its overdependence on the world price of tin. In spite of the excellent work of the Kemmerer Commission, the government is preoccupied with the problem of raising sufficient revenue to pay its ordinary running expenses, and to meet the heavy service on the foreign debt. Moreover, the outstanding question of Bolivian foreign policy — the finding of outlets to the sea — appears further than ever from a satisfactory solution. For one thing, the recent rapprochement between Chile and Peru seems to have postponed indefinitely the realization of her hopes for a corridor to the Pacific; the Tacna-Arica problem has been settled without regard to Bolivia's insistent claims, which were largely based on expediency and natural equity. As a result she has been left in a singularly isolated position among South American powers. The only state which borders on all three of the so-called A-B-C nations, she has no special affinity with any one of them and is playing virtually a lone hand in international politics.

For the time Bolivia's attention is being increasingly directed eastward. The expensive railway project to link Cochabamba and the rail system of the plateau with the plains of Santa Cruz is representative of this new orientation of national policy. A regular aeroplane service already operates between the two cities. In the far northeast her borders are fixed and a through connection from La Paz to the Atlantic by way of the Amazon is too impracticable for serious consideration. To the south there is a through railway service into Buenos Aires, but the potential benefits of this connection are greater for Argentina than for Bolivia. The particular ambition of Bolivia in the east is to gain direct access to navigable water on the Paraguay River, and so to secure a less trammeled outlet to the River Plate and the Atlantic. Of her present outlets to the Paraguay the Lagoon of Gaiba lies too far to the north; and Puerto Suarez, at the terminus of the long trail from Santa Cruz, is situated on the shallow Lagoon of Cáceres, opposite the city of Corumbá. The limestone shelf of Corumbá, which would have afforded her an ideal river port, went to Brazil in the shiftings of frontiers in the last century. Thus landlocked to the north, Bolivia has pushed her historic claims to the Chaco, only to have her designs frustrated by the counter claims of Paraguay and still more effectually checked by Paraguay's priority of possession of most of the coveted region. Puerto Pacheco (or Bahia Negra), the one remaining and now most logical outlet for Bolivia, was seized by Paraguayan forces in 1888 and now constitutes the key position in Paraguay's military plans on the upper river.

Meanwhile the extension of the quebracho industry northward from the Argentine and the expansion of the cattle raising business from the eastern side of the main river called attention to the intrinsic resources of the Chaco wilderness, hitherto neglected by both claimants. This development has coincided with Bolivia's renewed interest in her vast eastern territories that center on Santa Cruz de la Sierra. The life of the Santa Cruz country might gravitate towards the Argentine if a long projected railway were actually built north from Salta to tap the undeveloped riches of the Bolivian plains. A long road already connects Santa Cruz with the Argentine railhead at Embarcacion. On the other hand, if the Brazilian scheme for a line west from the terminus of the Northwestern Railway into Santa Cruz were to be realized, the Bo-

livian "Oriente" would face eastward toward Sao Paulo. Confronted with the possible alternative of a reorientation of the Santa Cruz country, that might throw it into the economic and political sphere of attraction of the aggressive Argentine, or of the Brazilian colossus, Bolivia determined to push her claims for an all-national outlet to the internationalized Paraguay River. Meantime she decided to link up Santa Cruz with the plateau, cost what it might.

The looseness of colonial cartography and the delay of the young republics in defining their national territory have provided material for a boundary controversy that is virtually irreconcilable from a purely legal standpoint. Each side adduces old maps and decrees in support of its claims to the entirety of the Chaco, and a voluminous literature of partisan evidence has been produced by the publicists of both nations. Bolivia stands firmly on the *Utipossidetis* of 1810, which would have confined Paraguay to the eastern side of the river. Several formal conferences and more informal parleys have been held by diplomatic representatives of both countries in an effort to settle the dispute. However, the inflamed state of national sentiment or political considerations at home have prevented the consummation of a reasonable compromise, whereby each party to the controversy would receive that part of the Chaco which is most vital to its material rather than its sentimental interests.

Both nations have continued to strengthen their military position in the disputed region. This process has taken place on two different fronts — one in the zone of the lower Pilcomayo and the other in that of the upper Paraguay. For years the Bolivians have been gradually pushing their line of *fortines*, or outposts, farther down the Pilcomayo towards the Esteros de Patiño, where the marshes effectually block their advance down the river valley. To prevent them from advancing inland in this region and reaching the settled belt along the main river, the Paraguayans have established a chain of small detachments in a general north and south direction. On the northern Paraguay the Paraguayans, using Puerto Pacheco as a base, established the advanced post of "Fort Galpón" opposite the Bolivian outpost at "Fort Vanguardia."

It was in this region that the inevitable clash between the military forces of the two countries occurred last December 6, when a detachment of Paraguayan troops surprised and captured the small Bolivian garrison of "Fort Vanguardia," and carried back the survivors as prisoners to "Fort Galpón." A few days later Bolivian troops retaliated by the capture of the Paraguayan post of "Fort Boquerón" in the southern part of the Chaco. For a time the nations were on the brink of open war, while offers of arbitration poured in from many sources. Bolivia showed much forbearance in the crisis, though her ultimate decision not to have recourse to arms was probably dictated in part by a realization of the difficulty of her military situation. To reach the scene of action on the upper Paraguay requires an arduous march of over 800 miles from the railhead at Cochabamba and to reach the zone of the lower Pilcomayo from Sucre a march of about the same length. On the other hand, the moving of troops and supplies to either zone of the Chaco would present no serious difficulty to the Paraguayan War Office. While I watched a demonstration of the populace of La Paz during the critical days of last December a Bolivian remarked to me, as he shook his head: "We are three months from the battlefield and the Paraguayans are right on the ground." It was after

the first war fever had subsided that both sides agreed to submit the immediate problems arising from the incidents of last December to a conference of their representatives to be held in Washington, under the auspices of the Pan American Conference on Conciliation and Arbitration.

The main issue in the boundary dispute remains to be settled. And until the limits of each country are defined once and for all there can be no firm peace between them. Sooner or later the military element would again take the matter into its hands and an unimaginably fatuous war would be the result. Neither country needs the whole Chaco at all. Neither has a clear title to all of it. Yet international equity demands that Bolivia have a direct outlet to the Paraguay River at some point accessible to the steamers which ply between the River Plate and Corumbá. Though the present backward state of her eastern territory does not make such a commercial outlet an imperative need at the moment, the inevitable development of that fertile region requires the assurance of this provision for the accommodation of its eventual trade. Puerto Pacheco is the logical location for the river port of the Santa Cruz country and its re-cession to Bolivia is the crux of a just settlement to the problem. Equity demands as surely the recognition of Paraguay's claims to the zone along the right bank of the main river to within a short distance below Puerto Pacheco; and also of Bolivia's claims to the immediate valley of the Pilcomayo to the vicinity of the northern edge of the Esteros de Patiño. As the frontier between the two countries a diagonal line would be drawn across the Chaco between the two points. By the very nature of their economy and geography no appreciable commercial interchange is possible between the two nations. However, if this acrimonious and long standing boundary dispute is definitively settled along reasonable lines, instead of in accordance with the sentimental aspirations of one or the other of the contestants, they can at least follow in the future a passive policy of live and let live towards each other.

The new frontier between Chile and Peru lies ten kilometers north of the La Paz-Arica railway. The Tacna-Arica railway remains in Peruvian territory. The question of Bolivian access to the sea is still open.

THE TACNA-ARICA SETTLEMENT

A NOTE of relief and satisfaction could be detected in the State Department's recent announcement that through the good offices of the President of the United States an agreement had been reached between Chile and Peru relative to the question of Tacna-Arica. For nearly half a century the dispute over this territory has troubled the relations of the Western Hemisphere. The United States has made repeated efforts to bring about a solution, but without avail. These efforts have placed at our door a measure of responsibility and much censure. There are those who believe that through its readiness to take a hand in the settlement of the War of the Pacific, the United States must bear a large burden of blame for the creation of this problem. In any event our failure as arbitrator has been a cause of regret, and while the recent agreement leaves out of account the claims of Bolivia for a free passage to the sea, it represents a real step forward by satisfying Peru and thus resolving a three-cornered controversy into one which may be more hopefully continued between Bolivia and Chile.

In both the Peruvian and Chilean replies to the proposal of President Hoover there is a gratifying note of finality. Peru "considers this question absolutely and finally settled;" and Chile believes "that the treaty . . . will wholly and finally decide the only pending question arising from the War of the Pacific."

The main points of the President's proposal may be summarized as follows:

The territory under dispute is divided into two parts: Tacna for Peru and Arica for Chile. The dividing line is 10 kilometers north of, and parallel to, the Arica-La Paz Railroad (see map). The sulphur deposits of Tacora remain in Chilean territory, and the canals of Uchusuma and Mauri remain the property of Peru.

Chile will construct for Peru, at Arica, a wharf, a custom-house, and a station for the Arica-Tacna railway, where Peru shall enjoy independence within an ample free port.

Chile will pay to Peru six million dollars, will deliver to Peru without cost all the public works and government-owned real estate in the Department of Tacna, and will maintain in the Department of Arica the Arica-Tacna Railroad Co. franchise.

Children of Peruvian nationals born in Arica shall be considered as Peruvians until they attain the age of 21, when they shall have the right to elect their definitive nationality; and the children of Chileans, born in Tacna, shall enjoy the same right.

Chile and Peru will reciprocally release any obligation, engagement, or indebtedness between the two countries, whether or not derived from the Treaty of Ancón.

The only discordant note in the chorus of approbation which has followed the settlement emanates from Bolivia. The agreement leaves her a land-locked power, a situation which she has endured ever since she lost her littoral to Chile as the penalty of defeat in the War of 1879. But while to this extent the question of boundaries appears to be not yet finally settled, we must not forget that Bolivia has no legal claim but seeks to regain access to the sea by moral suasion. The problem has been simplified by the elimination of Peru; Bolivia must now negotiate directly with Chile, for ready access to the sea lies through that part of the area which becomes Chilean territory.[1] The United States was always sympathetic with Bolivia's hopes for a seaport, but presumably felt it unwise to jeopardize the chance of settlement by stressing them.

[1] For possible Bolivian concessions to Chile see "A Possible Settlement of the Tacna and Arica Question," FOREIGN AFFAIRS, Vol. II, No. 1.

THE ELECTION CAMPAIGN IN SOUTH AFRICA

By Cyril Campbell

JUST five years ago, also on the eve of a general election, I reviewed the political situation in the Union of South Africa and attempted to forecast the result.[1] On that occasion I was more fortunate than prophets sometimes are, for I foretold the defeat of General Smuts and estimated accurately the ultimate strength of the parties. But I would disclaim the rôle of prophet today because not only are there so many warring factors at work, but also because the elections will have taken place (June 12) shortly before these lines appear in print.

It may be remembered by some readers that the two parties, Nationalists and Labor, which had been in opposition since the grant of independent government, allied themselves at the last elections in order to avoid three-cornered contests which would split the vote and result in a victory for the South African Party of General Smuts. It was entirely an election compact, and was successful in that many of Smuts's candidates lost their seats. But the Nationalists had but a bare working majority; and in order to allow them to consolidate their position the agreement was continued in the House of Assembly. It was plain, however, that two such groups, holding diametrically opposite views on contentious matters like wages, labor hours, native representation and trades unionism, must sooner or later find progress in double harness somewhat complicated. Nevertheless the decision was made. Labor was rendered more amenable by the award of three seats in the Cabinet. It was a generous award; but it has become a gift not unlike the shirt of Nessus, for it has shattered the Labor Party.

The Labor Party record in this last Parliament has been a sorry one in the extreme. Although professedly the apostles of progress, they have fettered the liberty of the press which has been the boast of Anglo-Saxon countries since our forefathers won that privilege. At election times all leading and special articles dealing with politics, as well as the reports of meetings, must now be signed with the names and addresses of the reporters, editors and sub-editors who have handled or otherwise been responsible for the "copy." This measure was nothing but a crude attempt at intimidation, as in this twentieth century the press do not invent statements and place them in the mouths of politicians.

So far Colonel Creswell was given the reins by his Nationalist friends; but in the other main planks of his Progressive platform, an eight-hour day and women's suffrage, he did not secure their support; and, moreover, the time came when they claimed as their share of the bargain the passage of the Flag Bill which had for its aim the exclusion of the Union Jack from South Africa. Although himself an ex-officer of the British Army, Colonel Creswell supported the abolition of the Union Jack, and the country seemed heading full for civil war when the Minister of Justice came to the rescue with a compromise that was ultimately adopted and sufficiently reasonable to be accepted by the moderate

[1] Cyril Campbell: "South Africa Before the Elections," FOREIGN AFFAIRS, June 1924.

majority. Thus it is that American tourists who have visited the Union on world tours during the last four years have seen dual flagstaffs, the left-hand of which flies the Jack and the other the new Union flag, on the white central bar whereof are a microscopic Jack and equally minute flags of the old Transvaal and Orange Free State Republics. So tender, too, was the Nationalist conscience that a new set of stamps had to be issued without the King's head.

But sensational as were these episodes at the time, the Labor Party provided more food for criticism in other ways. One of the three Ministers won considerable notoriety by expecting the country to pay his daily taxi-fare from his house to his office (a distance of fifty-odd miles), but the Auditor-General in his Annual Report gave so scathing an indictment of this item of some $4,625 that the culprit had to make amends by promising to pay off so much a month — a rather undignified proceeding for a man who was at the moment a Minister of the Crown. He was later destined to bring his career to an abrupt termination when on his own initiative he gave an audience to a deputation of men from the diamond diggings, after it had been decided at a Cabinet meeting that they should not be given an interview to ventilate their troubles; in defiance of the Council he seized a chance of addressing them and assured them of his complete sympathy. The publication of the correspondence which passed between him and the Prime Minister, resulting in a demand for the resignation of his portfolio, was productive of much mirth throughout the country.

This, however, was but the foolish action of a single member of the Government: the attitude adopted by the Prime Minister himself regarding the German Trade Treaty comes into a very different category. One of the few members of the House of Assembly who has the courage at times to launch out as an independent, although nominally he is in the ranks of Labor, stated without any equivocation that this was nothing but a deliberate design to cut the painter of the British connection. He asked pertinently what particular debt South Africa owed Germany that the latter should be given preference over the sister-members of the British Commonwealth of Nations. He instanced the United States as having consolidated its financial status by the creation of a tariff wall and inquired why the British Commonwealth of Nations, which could be equally well self-supporting, should not follow on the same fiscal lines. A further assault was made on the Treaty by General Smuts, who rose in the debate and recalled the fact that at the Ottawa Conference of 1887 the leading Afrikander of the Cape Bond, Jan Hofmeyr, had put forward proposals relating to Imperial Preference, the first time that a suggestion was made for the fiscal consolidation of the different members of the British Empire.

General Hertzog is narrow-minded but he is the most astute of parliamentarians. In this case he tried the game of "having it both ways." For the purpose of instructing the rather thick-headed Nationalist Party in the reality of the "sovereign independence" which he claimed to have obtained at the Imperial Conference a couple of years earlier, the Treaty is open to the perusal of all mankind; and, needless to remark, has received the hearty approbation of the Nationalist members he leads. But, for the purpose of avoiding submitting it to a hostile majority in the Senate, General Hertzog ranked the treaty in

the category of "secret diplomacy." The Prime Minister's misuse of a constitutional power produced a twofold effect. The first was to prevent the Senate rejecting the Treaty; but his refusal to submit it to that body led or misled the other members of the British Commonwealth of Nations into concluding that the Union approved of the measure because the Legislature did not reject it. Confusion was thus introduced into a sphere where everything should be most carefully ordered. A vital distinction in the nature of treaties disappeared. This distinction was between treaties that are not publicly discussed for reasons of state, and treaties that are submitted for parliamentary approval. In this particular instance the treaty itself provided for ratification by the competent legislative authority. The power to complete treaties that cannot be publicly discussed is the high-water mark of a people's confidence in its government. In Great Britain itself and other countries it is safeguarded by the fact that foreign politics are usually not regarded as party politics. In the Union under the recent government this power has been used to conceal a lack of confidence—a grave violation of the spirit of constitutional government.

The Premier during his recent term of office has made a gesture of friendship towards the United States by the appointment of an agent-general there, but it is not easy to understand in just what way the Union had benefited thereby. It seems little else than one of those cases best expressed in the old classical tag, "Parturiunt montes, nascetur ridiculus mus." Even the canned crayfish from the Cape factories failed to tickle the American palate. There should, however, be some consolation from the American point of view in that American motorcars still dominate the market.

To revert finally to the election. The state of the parties after the election four years ago was as follows: Nationalist, 65; South African Party, 51; Labor, 18; Independent, 1. Such was my forecast and such was the ultimate result. Today two factors obscure the issue: first, the split of the Labor Party into two warring factions; and second, the creation of certain new constituencies. As regards the former, it seems very unlikely at the moment of writing that there will be even an eleventh hour truce, the leader of the "Rebs" (as we might style them) having developed a very high temperature in animosity against Colonel Creswell, and having declared his intention of fighting Creswellite candidates wherever possible. He does not extend his feud against the Nationalists. It is therefore conceivable that in certain areas a split vote will spoil the Creswellite chances. On the other hand, some eight new constituencies have been created by a recently appointed Delimitation Commission and it is not unreasonable to presume that the Commissioners have done their work with an eye to the advantage of the government which brought them into being. Strange, almost incredible, things were done at election times under the old Transvaal Republican Government, from the polling of dead men to the wholesale suppression of ballot-boxes. One can well understand, then, that in bringing into being the new areas in Natal, which is mainly anti-Nationalist, the political obstetricians will have plenty of precedent for seeing to it that the new arrivals shall not be inclined to call upon General Smuts as their sponsor.

FINANCIAL RECONSTRUCTION IN MEXICO

By Herbert Feis

BEFORE the occurrence of the revolution which is still disturbing the country, the Mexican Government was making substantial headway in the ordering of its financial affairs. Its budget estimates were carefully drawn and in the main realized, despite the almost complete fading away of the yield of the taxes on petroleum. Current budgetary procedure was improved in several important respects. Up to the end of 1927, through a combination of necessity and laxity, the Government was in arrears in paying its own employees and was heavily in debt to the tradesmen and merchants who sold it the supplies necessary for the conduct of its daily tasks; debts of this type have often been the prelude to financial and political disorganization in Latin-American countries. When the revolt broke out on March 3, 1929, all sums due to government employees had been paid to date, and many of the overdue supply bills accrued in previous years had been cleared off the books. In fact it was only because of the progress made in these matters that the Federal Government was able to meet the revolt so effectively and promptly without extraordinary financial measures.

Payments on funded and other debts, it is true, were not being made in accordance with contracts signed. Still, there was much reason to hope, perhaps to expect, that within the next few years the Treasury would clear away certain types of indebtedness and begin payments on the rest. This prospect was beclouded, however, by various features of the debt, and by the manner in which the process of debt payment was being approached. The debt was made up of numerous independent items held by creditors acting independently. Some items were of undetermined amount and no effective measures were being formulated for quickly fixing their amount. No agreement existed between the Government and the creditors, nor between the creditors themselves, as to the relative precedence or equity of the several forms of debt. Furthermore, new types of debt were being brought into existence, while old ones were being discharged, irrespective of the possible injury to neglected creditors. The Government allotted payments intermittently, without any clear sense of direction, in response to the negotiating strength or skill of the separate creditors, or groups of creditors. These features of the situation all contributed to keep the public credit weak and to make all government financial contracts shaky. The best use was not being made of the Government's limited power to meet its debts, and no clear path was being marked out as to how they should be met when means allowed.

There was lacking, in short, a unified Treasury plan which took account of all classes of debt, drawn up with full appreciation of all the obligations, needs and policies of the Mexican Government.

The question of debt settlement is certain to become pressing again as soon as the Mexican Government is in a position to enter into new discussions of the subject. It may serve a useful purpose to indicate why a comprehensive plan is

necessary and what main principles must be given consideration if it is to be a sound one. This is an essay in circumstances and principle, rather than in figures.

The chief elements of the Mexican public debt are as follows:

1. The funded debts covered by agreements with the International Committee of Bankers in Mexico. This includes government and state debts, and the railway debt for which the government is responsible under guarantees. It makes up five-sixths of that part of the government debt which has been precisely defined in amount. Contrary to a rather general notion, only a minor part of it is held in the United States. Of all the bonds deposited under the Bankers Agreements, 19.9 percent were recorded in American possession, 34.6 percent in British, 22.9 percent in French.

2. A small funded debt, not included in the Bankers Agreements.

3. A floating debt made up of various groups of obligations:

   a. Specie debts due to the local banks.

   b. Short time notes due under various contracts or agreements with different banking groups, the Southern Pacific Railroad, etc.

   c. Accounts due for services or goods from large enterprises, such as the Mexican Railways (privately owned), the Mexican Power and Light Company, the Mexican Land and Colonization Company, etc.

   d. Accounts due to smaller creditors for supplies furnished the government. These were substantially reduced in 1928, and in the beginning of 1929 a start was made with the practice of paying all such supply bills in cash.

   e. Small sums due to state governments.

The amount of these debts is fixed. As of July 1928, the debts totaled (including accrued interest on the funded debt up to December 31, 1927) as follows:

		Millions of Pesos
1. Funded debts covered by agreements with International Committee of Bankers		1,061
2. Other funded debts (omitting Agrarian Bonds)		21
3. (a) Specie debts, etc., due to local banks	60.7	
(b) Short time notes, etc.	20.4	
(c) Current accounts with large creditors	43.8	
(d) Smaller supply bills	23.7	
(e) Small sums due state governments	5.1	
		154
Total combined funded and floating debt		1,236

4. In addition to these debts which were fixed in amount, Mexico faces two important liabilities of which the eventual burden is still unsettled:

   a. The Agrarian Bonds in payment for the lands taken by the Government from large holdings for distribution to communities, under the agrarian reform program embodied in the 1917 Constitution. Up to the present only a small amount of these bonds have been issued, but a vast amount of land has been expropriated and the potential volume of debt that may be created is very large. Even on the assumption that the method

and principles of valuation now being enforced are pursued to the end, the final debt will not be less than 200 million pesos, and may be double that amount. Of those entitled to receive these bonds under the laws, only a small number have applied for them. They contend that the basis of valuation (assessed value plus 10 percent) is unjust, and they fear that in view of its financial situation the Government will default on the interest and principal.

b. Unsettled Claims. A great number of claims are outstanding against the Mexican Government for compensation for injuries suffered by persons and property during the revolution. These claims have been presented by people of numerous nationalities, though those of Americans outweigh the others. Under official agreements these claims are in process of adjudication by Claims Commissions; so far the work of adjudication has been costly, slow and intermittent. The volume of claims presented will be close to a billion and a half pesos even after making allowance for duplications, which would be a greater sum than all the rest of the Mexican debt. But it is generally recognized that the volume of valid claims ultimately established in fact and recognized in law will be only a small fraction of that total.

The Mexican Government has pursued no pre-arranged and fixed policy in the attempt to meet this assortment of debt obligations. No priorities have ever been established, nor is there any scheme for the distribution of available funds between the various categories. From 1923 on the Government has made small payments first on one account then on another. From 1923 to 1927 an effort was made to meet payments due under the two debt agreements with the bankers (the De la Huerta-Lamont Agreement of 1923, and the Pani-Lamont agreement of 1925), and to discharge some of the sums owed to the railroads. While this was being done, a new floating debt was being accumulated in the form of overdue governmental salaries, unpaid bills for supplies, and short-time loans. During 1928 the Government caught up on salaries, and paid off many of the smaller supply bills and some other minor obligations, in the meantime falling behind on the interest on its funded debt and acquiring a few new creditors. Always the Treasury was surrounded by the group of wearied creditors, each of whom felt compelled to push his own case and seek attention in or out of turn.

So long as this situation lasts budget-making (even when the estimates are met, as they were in 1928) must remain misleading, and the public credit of the country cannot be restored. As between the Treasury and the creditors, room is left for the application of pressure. The payment of any specific obligation becomes something of a gamble even though revenues may permit it, and each payment takes on the appearance of favoritism. Moreover, the path is left open for a weak government to settle with single creditors in order to get fresh credit without facing the whole debt situation.

Up to the present, however, the various creditors have shown little disposition to urge the Mexican Government to adopt a unified plan of dealing with its debt obligation. Most of them have preferred to put forward their own claims and try to win preference for them; they have sought independent contracts for payment in the hope that these might secure prior recognition. This

has been due partly to the fact that this procedure promised the successful creditor fuller and more prompt payment than he could obtain under a general scheme covering the whole of the debt. But in even greater measure it probably goes back to the belief that no scheme of unification and gradual repayment over a period of years could be worked successfully, coupled with skepticism as to whether the Mexican Government could or would ever meet the whole of its debts. Each creditor, then, has fought for himself.

But this competitive and haphazard process of debt settlement has turned out disappointingly in the past, and is almost certain to be even more disappointing in the future. Separate agreements, contracts made between the Mexican Government and the possessors of the various types of government obligations, have repeatedly gone into default. In the years ahead, even under stable conditions, the Government will have a dozen proposals for using any public revenue in excess of that required for its most urgent and primary tasks. Those in power will have to be convinced of the benefits to be gained, and firm in that conviction, if any continued effort to make payments on all the public debt is to be carried through. The necessary firmness can only be hoped for if a clear path leading to a definite goal is marked out in advance.

The speedy determination of the amounts due under the Agrarian Laws and Claims arrangements must obviously be a part of any comprehensive plan of financial settlement. If such a plan could be devised those who have hitherto refused to receive bonds in payment for lands already taken might be prevailed upon to do so, thereby closing an issue which continually disturbs relations between Mexico and other countries. The Government would be well advised to pay for further expropriations in cash, and the other creditors would be well advised not to impede such action. No plan of financial rehabilitation can be successful while the nation continues to acquire new debts in large and indeterminate amounts. Payment in cash would also probably lead to a more measured and careful application of the law. It would tend to relieve land owners from the fear that if they develop and cultivate their property it will be taken from them as soon as the improvements are finished and the crops grown. An important source of antagonism to the government would be sealed up; a needed increase in production would result.

As for the Claims, there is a growing conviction that the present system of adjudication, case after case, by International Claims Commissions should be put aside in favor of lump settlements between the Mexican Government and the governments of the claimants. The process of adjudication is dragging itself out and is proving expensive for all interested groups despite the excellent efforts of the American Agent. The cost to Mexico for the years 1925 to 1928 was over two million pesos. Eight mixed commissions now are engaged in hearing cases. The General Claims Commission between the United States and Mexico, which began operations in August 1924, will last to August 1929. Up to the present time only a minor portion of the outstanding and potential claims have been decided, and these have included few of the important ones. Prolonged difficulties have been encountered in agreeing upon the neutral third judge, and are likely to be met again if the life of the Commission is again renewed. Over and beyond the delays and difficulties, remains the fact that no provision has been made for paying claims that are approved. It is difficult to see how the

necessary funds are to be found without agreement with other creditors. These unheard and unpaid claims are a continuous source of animosity, and a change in procedure is advisable. The plan of lump settlements by treaty between governments seems the most promising. Mexico has already made one such settlement with Belgium. If our government followed suit it would have to establish a tribunal to decide upon the distribution of the sums obtained among the American claimants.

The determination of the amounts of these two sets of obligations — payment for land and claims — is an essential element of any general plan for the settlement of Mexican indebtedness. The other basic elements are simple in character, though their execution in practice would necessarily require the exercise of good will and compromise on the part of both the Mexican Government and the creditors. The amounts or proportions to be paid each type of creditor, as funds became available, must be decided; only such preferences as were determined in advance, for reasons of equity or expediency, would be granted. During the years immediately ahead payments might be small; yet the plan should arrest all further accruals of interest. The prompt payment of all supply bills and government salaries would be part of the plan, as also a stipulation limiting governmental borrowing for a given period. Account would have to be taken of the serious need of carrying forward the Government's program of education, public health and public improvement. Finally, the execution of any agreement would have to rest solely upon the voluntary action of the Mexican people, responsive to the revealed benefits of the plan. In the event of failure, the creditors might always resume their rights.

Of course there is some doubt about the possibility of working a unified scheme of financial settlement successfully in a land so given to financial and political upsets. But the absence of a scheme does nothing to lessen these vicissitudes. On the contrary it increases them by adding to the uncertainty of financial calculations and by keeping alive a reason for seeking a change of government. In other countries the adoption of a comprehensive plan has proved an indispensable preliminary to financial stability and progress. Like Argentina, Venezuela and Colombia (as pre-war examples), like Austria, Hungary, Greece and France, Mexico needs to stop creating new floating debts, needs to end rivalry between separate creditors and lenders, and needs to determine the amount of all liabilities, before its public credit can be restored. In Mexico, the process of credit improvement would be hastened, once it was begun, by the return of capital sent out of the country for safety, by foreign capital newly attracted. It would not be difficult then, if it proved advisable, to borrow to clear away the floating debt. As in all the instances of recent experience, the first steps, particularly that of reaching agreement on policy, would be the hardest. Economic events usually conspire to help an improving debtor.

SINGAPORE'S CONTROL OF KEY MINERAL RESOURCES

By H. Foster Bain

SPECIFIC localities are frequently of immense importance; this importance may of course alter with changing vogues in transportation and communications, but in some instances it endures for centuries. With the opening of the Cape route to India, Venice lost much of the position it held in the Middle Ages. St. Louis dropped behind Chicago when river steamboats gave way to railroads and the Great Lakes became a great trade route. But London, at the mouth of the Thames, has been an important center since pre-Roman days and bids fair to continue to hold place. So, too, New York at the mouth of the Hudson seems secure in her position of power — though just what effect air travel ultimately may have on the commercial map of the world is not yet settled. British territory at Gibraltar covers less than two square miles, but it is adequate to dominate the entrance and exit of the Mediterranean.

Panama and Singapore are the two great gateways to the Pacific, the ocean of the future. In the Canal Zone, with 553 square miles area, the United States holds (let us hope for peace rather than war) one of these great gateways. Opposite lies Singapore,[1] an outpost of British dominion. Ships trading between the Pacific and other oceans must pass through one of these two gateways or else make a roundabout and expensive journey. Singapore, then, is one of the critical centers of the world, and the forces that control it and the resources of the people resident around it offer subjects well worth study.

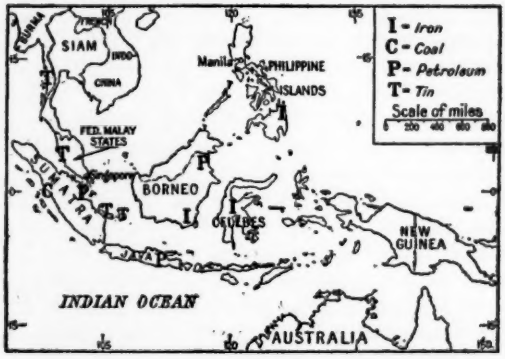
In considering this Singapore region one commonly thinks in terms of British, Dutch, Japanese and American interests. While all four of these nations have significant positions in relation to the Straits, it must not be overlooked that the people who actually live there are overwhelmingly of the Malay race. At present their political activities are controlled by these outsiders, but whether a small foreign minority can permanently remain in a dominant position in a country if the native population will the contrary, is open to question. But these are problems of the character and wishes of the Malays, and though they must not be forgotten in any study regarding the future of the region they cannot be taken up at this time. Nor will this brief article deal with the plant and animal wealth of the Singapore region. Attention will be directed principally to its mineral resources.

Mineral resources are of particular importance to the development and maintenance of a culture such as now characterizes the western world. Minerals are the materials which nourish the growth of modern civilization. They are absolutely essential for the enrichment of life and the building up of permanent wealth. Indeed, the great bulk of the world's heritage of tangible material riches from generation to generation consists of mineral products. Accordingly, in considering whether the region around Singapore is ever likely to become an

[1] Cf. "The Strategy of Singapore," by Nicholas Roosevelt, FOREIGN AFFAIRS, Vol. 7, No. 2, p. 317. Also see "Ores and Industry in the Far East," by H. Foster Bain, published in 1927 by the Council on Foreign Relations, New York.

important center of civilization of the western type, the presence or absence of adequate mineral supplies is a consideration of first importance. Furthermore, this great commercial gateway's relation to mineral fields is also significant.

In considering the rôle of minerals in the strategy of nations both for war and peace we distinguish three classes: first, the "tonnage minerals," such as coal and iron, which enter into modern industry so extensively that any particular country's lack of them puts it under bonds to keep the peace; second, the "pound minerals," such as copper and lead, which, while highly important and useful, can be purchased at a price and even stored in quantities sufficient for the prosecution of a short war; third, the "ounce minerals," such as platinum and gold, which are essential and expensive but of which an adequate supply can be smuggled through even in time of war if sufficient credit for their purchase be available. In evaluating the minerals of any region, and assigning them to a particular class, we naturally are able to speak only from the point of view of present technology of production, or its probable development. Changes in technology may at some time in the future materially alter the present status.



MINERAL RESOURCES OF THE SINGAPORE REGION

At the present time Malaya's most significant contribution to the international trade in minerals is in tin — a "pound" mineral — and in petroleum — a "tonnage" mineral. The region yields 60 percent of the world's supply of tin, and it is of a grade that fixes the standard for all other countries. Of petroleum the Netherlands Indies yields about 2 percent of the world's supply; while the amount has increased steadily from year to year, its ratio to the world's supply as a whole has remained substantially the same.

The tin comes mainly from a belt stretching from Southern Burma, through Western Siam, the length of the Malay peninsula and into the islands of Banka, Billeton and Singkep in the Dutch territory. Production in the past has been principally from placers, and lodes have not as yet been found in number and size sufficient to warrant belief that the present rate of production can be maintained when the placers become exhausted. At any rate, the area seems certain to lose its dominant position among the world's tin fields.

As regards petroleum the situation is quite different. So far, the fields in Sumatra have been skilfully husbanded in order that advantage may be taken of their strategic position as producers of high-grade crude oil for the Eastern market. The highly competitive and economically wasteful methods that have attended the great expansion of American production have not been permitted in the Indies, and while there are now American as well as Dutch-British interests in the fields, it is to be expected and hoped that the same

conservative course will be followed. Throughout the East Indies and in the Philippines are areas of rocks similar to those that elsewhere yield petroleum in quantity. They afford favorable fields for prospecting, and while the only determined and well-conducted venture as yet made in the Philippines did not result in finding oil, it is entirely probable that as the world demand becomes greater larger supplies will be found in the Singapore region. Siam and the Malay states of the peninsula are not likely to prove important in this connection.

As for coal and iron, those two great wonder-working twins of modern industry, Malaya is neither barren nor is it (if present methods alone be taken into account) in a position to play any large part in the world's trade and industry. Coal, especially, is far less abundant in quantity or satisfactory in quality than might be wished. There is one mine in the Federated Malay States and there are a number of small ones in the Philippines. Persistent efforts and a considerable expenditure of public money have failed to result in opening a colliery of any size or significance in the Islands. Sufficient is known of the geology to make it reasonably clear that neither in the Philippines, the Malay States nor in Siam will any large body of workable coal be found, or any quantity of coking coal, that most essential requisite to a modern steel industry. In the Netherlands East Indies and Borneo coal is present in quantity. In general, it is of low to moderate heating value and needs special facilities for burning with economy. All search has so far failed to develop from these coals any satisfactory coke for use in making iron and steel.

This is all the more unfortunate since both in the Philippines and in the Netherlands Indies large iron ore resources are known to be present and well situated for mining and transportation. While moderate amounts of hard ores are known, the great reserves (and they are truly great, running into hundreds of millions of tons) are of the lateritic type, of which the value was first recognized in Cuba. Such ores require preliminary preparation to prepare them for furnace use, but the necessity for this preliminary processing is offset in part by their occurrence at the surface in excellent position for cheap mining and near deep water both in Cuba and the Far East. A more important factor in preventing their wide use is the presence in them of nickel and chromium, which influence the character of the iron made from the ore without being in the correct proportions to give the latter proper characteristics for many uses. They yield a special iron, or steel, or particular value for some uses, such as rail making, but not desirable for foundry work or as making sheets and ship plates. Much study has been directed toward removing these secondary metals and recovering them as valuable by-products. If this technology is placed on a working basis, Malaya may make important contributions to the world's iron supply. Until then the not too brilliant prospect seems confined to the possible shipping of nodulized iron ore to Japan or North China.

Tropical regions are those in which bauxite as well as lateritic iron ore are most commonly found. Bauxite, the ore from which aluminum is made, is known to be present in widely scattered areas in Malaya, but so far no adequate survey has been made to determine its distribution and availability. It is entirely possible that after water power has been developed there the region may become an important source of supply. There is manganese, too, but whether in quantities more than enough to supply local needs is not certainly known.

Of the "pound" minerals in general — copper, lead, zinc and others (except tin, already discussed) — it need only be said that while they are present and widely distributed no mines or districts of world significance have as yet been found and there are no particularly brilliant prospects. As to the "ounce" minerals the situation is different. Platinum, gold, silver and diamonds all occur, and in Sumatra three really great gold mines and one manganese-silver mine have already been developed. In the Philippines and elsewhere smaller deposits have been mined. As rich mines of the rare and precious metals are found from time to time, they will by so much increase the purchasing power of the people of the region and help to develop trade.

Let me now sum up. In general, the mineral resources of the region are varied and may be expected to contribute materially to the world's trade and industry. Its petroleum and coal, supplemented by water power, may be expected, as elsewhere, to lengthen the arms of men and put power in their hands. No large development of the heavy industries based on iron and steel is to be anticipated, despite the presence of great iron ore fields, unless a new technology is developed. The region may become an important source of the light metals, seems unlikely to yield the ordinary non-ferrous metals in quantity aside from tin, chromium and possibly nickel, has at least moderate resources in manganese and other minor minerals, and may be expected to continue contributing to the world's supplies of gold, silver and diamonds. Just what the Malays or those who control them will make of these resources is field for another study.

At the present time, Malaya's chief mineral significance derives from its being the dominating source of the world's tin. That mineral is peculiarly necessary under modern conditions of life because its non-toxic quality permits its use in the manufacture of food containers; with modern emphasis on the storage and wide distribution of food, a metallic container has advantages — and no entirely satisfactory substitute for tin has yet been found. The demand for tin increases faster than geologists and engineers bring in new supplies; they, and the research workers who are trying to develop substitutes, are in a race against the exhaustion of known deposits.

The region's second significant feature is the presence of the only large oil fields known to exist in the very heart of the densely populated Far East. To the extent that western modes of living come to be more generally adopted, these oil fields will prove increasingly valuable. To a less degree the coal fields of Sumatra, midway between those of New South Wales, India and China, also occupy a strategic advantage. Perhaps in the long run they may prove even more important than the petroleum fields, since the handicap of low quality will probably be overcome as technology is improved, and on the score of quantity there is every reason to believe that the coal outranks the oil. When the latter becomes scarce the coal will still be abundant.

But the big resource, the one that in the long run is likely to prove most important of all, is the iron ore. In present conditions it is under heavy handicaps, but such a great body of the world's most significant metal, even though it is of low grade, seems certain to be requisitioned in course of time. How rapidly this will happen, with all the resultant changes in the industrial life of Malaya, depends on many world factors quite separate from the mere presence or absence of minerals in this particular region.

PROPOSED CHANGES IN THE STATUTE OF THE WORLD COURT

THE Committee of Jurists which met in Geneva in March of this year had for its primary duty the revision of the Statute of the World Court. With the help of one of its members, Mr. Root, the Committee also drafted a plan for facilitating the adherence of the United States to the Court,[1] but that was not the original object of the Council and Assembly of the League when they brought the Committee into being in 1928. The time seemed ripe for a study to determine whether revision were needed, because the entire bench of the court must be re-elected in 1930 and the experience of eight years could be drawn upon.

As Mr. Root has stated, the Committee which created the Court Statute in 1920 were engaged in an experimental undertaking, for no such court had ever before existed. That Committee had not anticipated how much business the new Court would have. The new Committee felt that the original organization of the Court was not such as to facilitate the expeditious handling of so many cases, and it was recognized that the international situation frequently requires immediate action by the Court. Thus, as Mr. Root said, "The lessons which the Committee of 1929 has had to apply have been the lessons, not of failure, but of success."

Under the present Statute, the Court has one fixed meeting a year and such extraordinary sessions as are necessary. When not actually sitting on a case, a judge may be at his own home at a great distance from the Court, engaged in almost any occupation or profession other than certain governmental positions or participation in international controversies. Under the proposed amendments, "The Court shall remain permanently in session except during the judicial vacations" and the judges "may not exercise any political or administrative function, nor engage in any other occupation of a professional nature." In other words, the Court and its bench are put upon a strictly permanent judicial basis comparable to that of the United States Supreme Court and its justices. Since the judges would be required to be permanently at the disposal of the Court, except when on vacation, the need for deputy-judges was deemed to have ceased, and if the suggested amendments are adopted that category would be given up. At the same time the regular bench would be increased to fifteen members, though the quorum of nine is unchanged. This makes it possible to provide a system of rotation which Mr. Root suggested, based on the experience of the New York Courts. To give added assurance of the competence of the judges it is suggested that the nominating groups be urged to select persons with "practical experience in international law" and who "are at least able to read both the official languages of the Court [English and French] and to speak one of them." The Court's experience demonstrates the difficulty and delay involved if a judge is unable to read the often voluminous records submitted to the Court or, in conference, can neither understand his brethren nor express his thoughts to them. Nevertheless, it was not felt that this could be anything more than a

[1] See page 585.

recommendation, lest otherwise highly qualified persons should be ineligible to election.

In line with the increased duties placed upon the judges, it is suggested that their compensation should be increased. In place of the present system of special allowances and a small salary, a larger fixed annual salary, without extra sums apart from certain travelling expenses, is recommended. Under Article 32 of the Statute the salaries are fixed by the Assembly on the proposal of the Council. The Committee recommends as the new salary 45,000 Dutch florins, or about $18,000 a year. The President and Vice-President would receive additional grants.

The most important other amendment suggested is the incorporation in the Statute of certain provisions now found in the Rules of Court relating to Advisory Opinions. It is planned to add a new chapter to the Statute dealing with this subject. These articles of the Rules in their present form were adopted by the Court after the Senate had enunciated the fifth reservation, which in its first part requires the Court to render advisory opinions in public and after notice and hearing, or opportunity for hearing, has been given to all states concerned. These provisions give full satisfaction to the requirement of the United States Senate, and the perpetuation of them by incorporating them in the Statute would give assurance that the Court can never be the secret advisor of the Council or Assembly of the League.

Two suggestions for changes in the organization of the court are of interest, although they were not approved by the Committee. The first was a proposal to abolish dissenting opinions. At present any judge on the Court may express a dissenting opinion, which is published with the majority opinion. This is in accordance with Anglo-American judicial practice. In continental European countries, however, a court renders a single judgment and dissenting views are not made public. Some members of the Committee who were accustomed to this latter procedure thought it would be preferable for the World Court. Mr. Root, Sir Cecil Hurst and other members of the Committee vigorously opposed this view and the suggestion for a change was withdrawn.

The second of the unsuccessful suggestions emanated from Sir Cecil Hurst. The present Statute contains provision for the appointment of "national judges" as follows: If a dispute between states A and B comes before the Court and if a national of state A is a judge on the regular bench, but no national of state B is, then state B may appoint *ad hoc* a national judge to sit in that case. Sir Cecil Hurst proposed that the Committee should adopt the view that, for purposes of this arrangement, the British Dominions should be considered as states distinct from the British Empire. For example, if a case came before the Court involving Japan and Australia, a Japanese judge being among those on the bench, Australia would be entitled to appoint a national judge *ad hoc* in spite of the presence of an English judge on the bench. The Committee finally decided that it was not competent to pass on this point, since Sir Cecil had suggested not an amendment to the Statute but an interpretation of it. Nevertheless, in the course of the discussion it appeared that a majority of those who spoke were opposed to the suggestion and the practical effect was a rejection of the proposal. M. Politis of Greece made a particularly eloquent argument against Sir Cecil's suggestion.

As in the case of the Protocol for American Adherence, a protocol embodying these amendments will eventually be prepared for signature and ratification. But while it seems highly probable that the Protocol for American Adherence will be approved without alteration, it is quite likely that the suggested statutory amendments will be further revised by the Council or by the Assembly or by both. Then, before coming into effect, it must secure the ratification of every state which has ratified the original Protocol of Signature of December 16, 1920. If this unanimous approval is not given before June, 1930, when nominations must be made for the entire bench of judges, all of whose terms expire in that year, it was suggested in the Committee that the matter would have to wait for nine years, that is until there is another full election. The reason for this was that the provisions abolishing deputy-judges and requiring regular judges to devote all their time to the Court could not properly be imposed in the midst of a judge's term of office.

Another complication appears from the American point of view. There will be two treaties or protocols which require the approval of all states parties to the original Court treaty. There are two possible eventualities, depending on the sequence of events. In the first place, the other states may ratify the Protocol for American Adherence before ratifying the Protocol of Amendments. Then if the United States also ratifies promptly it will complete its adherence to the Court. It will be a party to the original Court treaty and its approval also will be necessary before the amendments can take effect. But if the other states first ratify the Protocol of Amendments, or do so simultaneously, then the United States could not adhere to the Court without first accepting the amendments. The difficulty is not serious, however, because there appears to be nothing in the amendments which would be unacceptable from the American point of view, and much that is directly in accord with it.

SOME RECENT BOOKS ON INTERNATIONAL RELATIONS

By William L. Langer

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General International Relations

INTERNATIONAL LAW AS A SUBSTITUTE FOR DIPLOMACY. By MARCELLUS D. REDLICH. Chicago: Independent Publishing Company, 1929, 208 pp. $5.00.

A capable survey of the history of international relations and the practice of diplomacy, as a background for the thesis that the abolition of war is dependent on the further development of international law.

THE PUBLIC INTERNATIONAL CONFERENCE. By NORMAN L. HILL. Stanford University: Stanford University Press, 1929, 267 pp. $3.00.

A scholarly examination of its history, organization and procedure.

THE POLITICS OF PEACE. By CHARLES E. MARTIN. Stanford University: Stanford University Press, 1929, 449 pp. $4.00.

A reconsideration of political institutions in relation to the organization of the world for peace.

PROBLEMS OF PEACE. Third Series. London: Milford, 1929, 324 pp. 10/6.

The lectures delivered at the Geneva Institute of International Relations. Among the lecturers are Salter, Madariaga, Zimmern, Rappard and Mantoux. The subjects taken up are the Kellogg Pact, the general organization and work of the League in the past year, the activities of the Labor Office and the World Economic Conference, the question of minorities, armaments, etc. The lectures are almost uniformly of high quality and make interesting reading. No attempt is made to exaggerate the accomplishments of the League or to picture international relations in a rosy light. In the matter of the Kellogg Pact, for example, the purely negative character of the agreement is duly stressed, and emphasis laid upon the greater promise of constructive work for peace through the League and the Court.

INTERNATIONAL ARBITRATION FROM ATHENS TO LOCARNO. By JACKSON H. RALSTON. Stanford University: Stanford University Press, 1929, 417 pp. $5.00.

The whole question of international justice, historically and topically considered. The standard work on the subject.

INTERNATIONALE SCHIEDSSPRECHUNG. By HERBERT KRAUS. Berlin: de Gruyter, 1929, 348 pp. M. 10.

A German authority surveys the agreements binding upon Germany, with excellent introduction and notes.

DISARMAMENT. By SALVADOR DE MADARIAGA. New York: Coward-McCann, 1929, 392 pp. $5.00.

Written in a brilliant and suggestive style, by the former chief of the disarmament section of the League, this is *the* book on one of the most difficult and illusive present-day questions of international relations. Referring constantly to his own experience and to the imponderables of the problem, the author reviews the general obstacles to disarmament and examines the efforts that have been made since 1918 to bring about a

satisfactory solution. He is convinced that in the last count the mere outlawry of war is quite insufficient as a method of attaining security or even the sense of security. Disarmament will continue to be an ideal until the actual causes of war are successfully removed. In the last part of the book the writer surveys the world scene and sets forth the dangers to peace in the policies of the various powers. Outspoken and fearless in his criticism, he paints a picture that is anything but edifying. One cannot lay down the book without feeling deeply impressed by the serious manner in which the problem is discussed.

FREEDOM OF THE SEAS. By Lieutenant-Commander Joseph M. Kenworthy and George Young. New York: Liveright, 1929, 283 pp. $4.00.

Commander Kenworthy has a spectacular way of tackling current problems. In this book he writes not only from his own experience, but with the aid of George Young, a widely travelled and observant English diplomat. At bottom the theme is that developed in the author's "Remaking of Modern Armies." Like military strategy and tactics, naval warfare has been revolutionized by the advances of modern science, and consequently the old problem of freedom of the seas is out-of-date. All this is brought out clearly in the first three historical chapters of the book, which include an interesting account of the Geneva Conference and its failure. Perhaps the weakest part of the volume is the constructive part, in which the writers call for a settlement of the Anglo-American tension by the conclusion of a compulsory arbitration treaty, disarmament by sea except for police purposes, and the exercise of police activity only by mutual understanding. The obvious criticism of the plan is that it leaves out of account the other nations of the world and that it does not in actual fact settle the question at issue.

DER INTERNATIONALE SCHUTZ DER MINDERHEITEN. By Arthur von Balogh. Munich: Dresler, 1928, 293 pp. M. 10.

The author reviews the history of the protection of minorities, the juridical bases of minority rights and the guarantees of protection under the League.

LE MINORANZE NAZIONALI. By E. Aci Monfosca. Rome: Vallecchi, 1929, two volumes.

One of the best single books on the problem of minorities. Proceeding by nations, the author gives historical and statistical material and examines the working of the treaties.

STAATEN UND NATIONALE GEMEINSCHAFTEN. By Kurt Trampler. Munich: Oldenbourg, 1929, 141 pp. M. 6.80.

A more general treatment of the problem of minorities, concentrating on a criticism of the present practice of the League.

NAZIONALE MINORANZE ETNICHE. By L. Dei Sabelli. Bologna: Zanichelli, 1929, two volumes, L. 27.

An elaborate work setting forth the Fascist view of the question.

THE MANDATES SYSTEM. By Elizabeth van Maanen-Helmer. London: King, 1929, 331 pp. 15/.

A constitutional study, with special reference to the B and C mandates.

LOS MANDATOS INTERNACIONALES EN LA POLÍTICA COLONIAL. By Joaquín Rodriguez de Gortázar. Valencia: Rens, 1928, 305 pp. Pes. 6.

A good general work on the operation of the mandates.

LABOR AND INTERNATIONALISM. By Lewis L. Lorwin. New York: Macmillan, 1929, 682 pp. $3.00.

An excellent general history and study of the international labor movements.

International Relations of the United States

THE AMERICAN SECRETARIES OF STATE AND THEIR DIPLOMACY. Edited by Samuel F. Bemis. Vols. IX and X. New York: Knopf, 1929, $4.00 per volume.

The new volumes of this well-known series, covering the period from John Sherman to Charles E. Hughes, are of great interest to the student of recent diplomacy.

AS THEY SAW US. Edited by George S. Viereck, and others. New York: Doubleday Doran, 1929, 392 pp. $3.50.

In this series a number of Allied and German generals discuss the work of the American reinforcements in the war. By far the most important chapters are those by Foch and Ludendorff. The former stresses the unpreparedness of the Americans when they entered the war and pays a high tribute to the organizing ability of the American commanders. The physical condition and moral freshness of the troops had much to do, he believes, with the final outcome of the war. Ludendorff is more critical. He recognizes the obvious advantages enjoyed by the American forces, but has much fault to find with the leadership and the actual conduct of the troops in action. Among the other contributions special mention may be made of the discussion of the Meuse-Argonne operations by General Savatier, French assistant chief of staff, and General von Gallwitz, the German commander. The book as a whole is interesting and instructive and comes as a relief after a long series of uncritical panegyrics.

AMERICA'S NAVAL CHALLENGE. By Frederick Moore. New York: Macmillan, 1929, 166 pp. $2.50.

A book that goes far toward exploding the arguments for a larger navy and the idea that we are directly threatened by England or Japan.

ECONOMIC FOREIGN POLICY OF THE UNITED STATES. By Benjamin H. Williams. New York: McGraw-Hill, 1929, 426 pp. $4.00.

The evolution of American foreign policy under the influence of growing economic interests and commitments, discussed in a scholarly way.

DOLLARS FOR BULLETS. By Harold N. Denny. New York: Dial Press, 1929, 411 pp. $4.00.

A well-informed journalist's account of American policy and the recent happenings.

Western Europe

AN OUTLINE HISTORY OF THE GREAT WAR. Compiled by G. V. Carey and H. S. Scott. New York: Macmillan, 1928, $2.40.

A narrative of events told by a group of actual participants.

PRÉCIS D'HISTOIRE DE LA GUERRE NAVALE. By Captain Adolphe Laurens. Paris: Payot, 1929, 305 pp. Fr. 20.

An important contribution, written from the archives by the chief of the historical section of the Ministry of Marine.

LA BATAILLE DE VERDUN. By Marshal Pétain. Paris: Payot, 1929, Fr. 15.

A book of unusual interest. Pétain attributes the failure of the Germans to their mistake in not attacking on both sides of the Meuse.

LA VÉRITÉ SUR L'ARMISTICE. By General Mordacq. Paris: Tallandier, 1929, Fr. 350.

Important disclosures by a close collaborator of Clemenceau.

L'UNION DOUANIÈRE EUROPÉENNE. By J. Cristu. Paris: Chauny, 1928, 288 pp. Fr. 25.

A rëexamination of the conditions and difficulties of a customs union, adding nothing new.

SILHUETTKLIPP AV NUTIDA FRANSKA POLITICI. By Gunnar Löwegren. Lund: Gleerups, 1929.

Interesting pen pictures of French statesmen by a Swedish diplomat and writer.

FORTELLINGER FRA FRONTEN. By Froeis Froeisland. Oslo: Gyldendal, 1929.

Reminiscences of the war years in France, by the present editor of *Aftenposten.*

LE MARÉCHAL FOCH. By Gabriel Hanotaux. Paris: Plon, 1929, 492 pp. Fr. 25.

So far the best biography of the great soldier, written by a prominent French statesman and historian.

ET DEMAIN? By Pierre Valmigère. Paris: Figuière, 1929, 187 pp. Fr. 10.

An indictment of the French policy in the questions of Danzig and Silesia, which the author considers fundamentally mistaken.

LA SECURITÉ FRANÇAISE. By Captain L. Roques. Paris: Occitania, 1929, Fr. 10.

The title is a misnomer. According to the writer France has no security and urgent measures of defense must be taken.

LES VICISSITUDES DES PLACEMENTS FRANÇAIS À L'ÉTRANGER. By Jules Perquel. Paris: Éditions du Capital, 1929, 120 pp. Fr. 5.

The editor of *Capital* tells the sad story of French foreign investments and their fate.

HISTOIRE DES FINANCES EXTÉRIEURES DE LA FRANCE. By Lucien Petit. Paris: Payot, 1929, 816 pp. Fr. 60.

An exhaustive and authoritative account of French financial operations during the war, based on the archives of the Ministry of Finance.

THE FRENCH FRANC 1914–1928. By Eleanor L. Dulles. New York: Macmillan, 1929, 606 pp. $6.50.

A competent treatment of the history of the franc, laying particular stress on the psychological factor in depreciation and the tenability of modern theories.

THE PROCESS OF INFLATION IN FRANCE, 1914–1927. By James H. Rogers and others. New York: Columbia University Press, 1929, 398 pp. $5.00.

Another admirable account of the inflation, in the series of Social and Economic Studies of Post-War France.

LÉGISLATION COLONIALE. By G. François and H. Mariol. Paris: Larose, 1929, 392 pp. Fr. 40.

A general handbook, written by an official of the French Ministry for Colonies.

BELGIAN PROBLEMS SINCE THE WAR. By Louis Pierard. New Haven: Yale University Press, 1929, 106 pp. $2.00.

Williamstown Lectures, dealing with the Flemish-Walloon problem, but especially with the questions of Labor and Socialism.

LA MISIÓN INTERNACIONAL DE LA RAZA HISPÁNICA. By José Pla Cárceles. Madrid: Morata, 1928, 136 pp. Pes. 3.

A variation on the familiar theme of Hispanic solidarity.

LA RINASCITA NAZIONALE. By Enrico Corradini. Florence: Le Monnier, 1929, 350 pp. L. 20.

Collected writings of the nationalist leader, of the greatest interest for students of recent Italian history.

IDEALISMO E NAZIONALISMO. By Antonio Pagano. Milan: Treves, 1929, 234 pp. L. 18.

An attempt to reconcile the two.

FASCISMO GARIBALDINO. By E. Garibaldi. Rome: Camicia Rossa, 1928, 242 pp. L. 12.

From the red shirt to the black shirt; a discussion of the Garibaldian movement as a precursor of Fascism.

CONTRIBUTION À L'ÉTUDE DE L'ÉCONOMIE ET DES FINANCES PUBLIQUES DE L'ITALIE DEPUIS LA GUERRE. By François Perroux. Paris: Giard, 1929, 357 pp. Fr. 50.

A careful scholarly work of high merit.

DE PIE IX A PIE XI. By Géo London. Paris: Éditions des Portiques, 1929, Fr. 12.

A rather journalistic account of the Papacy from 1870 to the present day.

LA QUESTION VATICANE. By J. Ausset. Paris: Sirey, 1928, 175 pp.

An excellent historical and political study of the position of the Papacy during and since the war.

I CONCORDATI POSTBELLICI. By A. Giannini. Milan: Vita e Pensiero, 1929, 302 pp. L. 15.

An important timely volume on the post-war agreements made by the Papacy.

AUSTRIAN WAR GOVERNMENT. By Joseph Redlich. New Haven: Yale University Press, 1929, 187 pp. $2.25.

The translation of one of the best and most valuable volumes in the Carnegie History of the War.

DIE SCHWEIZERISCHE POLITIK. By Carl Horber. Zurich: Bopp, 1928, 296 pp. Fr. 5.

A very useful handbook of present Swiss problems and policies.

DER GROSSDEUTSCHE GEDANKE. By Heinz von Paller. Leipzig: Hofstetter, 1928, 163 pp. M. 6.

A history of the Greater German idea, with special reference to the question of *Anschluss*.

MEINE FÜHRERTÄTIGKEIT IM WELTKRIEGE. By Max von Gallwitz. Berlin: Mittler, 1929, 528 pp. M. 13.

The first volume of the reminiscences of the famous leader, based on diaries and material in the archives and dealing with the campaigns in Belgium, Russia and the Balkans, 1914–1916.

STRESEMANN. By Rochus von Rheinbaben. New York: Appleton, 1929, 322 pp. $3.00.

Translation of an excellent eulogy of the German statesman.

DEUTSCHLAND NEUTRAL. By Hermann Gottschalk. Leipzig: Fleischer, 1929, 150 pp. M. 3.50.

The way to real freedom lies in Germany's voluntary abstention from international disputes.

DIE SCHIEDSGERICHTS UND VERGLEICHSVERTRÄGE DES DEUTSCHEN REICHES. By Karl Strupp. Berlin: Stilke, 1929, 253 pp. M. 6.

A collection of Germany's arbitration and conciliation treaties, edited by a prominent jurist.

WIRTSCHAFTLICHE ZUSAMMENARBEIT ZWISCHEN DEUTSCHLAND UND FRANKREICH. By Erwine Respondek. Berlin: Heymann, 1929, 222 pp. M. 12.50.

Develops the interesting theme of Franco-German economic interdependence, and the conditions of coöperation.

DEUTSCHE HANDELSFLOTTE UND VERSAILLER VERTRAG. By Paul Kollbach. Berlin: Dümmler, 1929, 176 pp. M. 9.50.

A survey of the destruction and reconstruction of the German merchant marine with special reference to the provisions of the peace treaties.

AUSLANDANLEIHEN UND REPARATIONEN. By H. Hass, R. Ott and W. Holzmann. Jena: Fischer, 1929, 256 pp. M. 11.

A technical study defending the flotation of German loans abroad.

SILESIA REVISITED. By Lieutenant-Colonel Graham S. Hutchinson. London: Simpkin, 1929, 112 pp. 2/6.

An illuminating study of the problems arising from the region's partition, and the relation of the Silesian situation to the British coal industry.

EAGLES BLACK AND WHITE. By Augur. New York: Appleton, 1929, 206 pp. $1.50.

A well-known publicist tells why Germany must accept the Polish corridor and learn to treat Poland as an equal.

Eastern Europe

VOM KAMPF DER TSCHECHEN UM IHREN STAAT. By Paul Molisch. Vienna: Braumüller, 1929, 164 pp. M. 4.50.

With the use of unpublished material, the author, who is state librarian in Vienna, reviews the Czech struggle for independence. A book to be read as an antidote to Masaryk, Beneš, Opocensky and Papoušek.

TEN YEARS OF CZECHOSLOVAK POLITICS. By J. Borovička. Prague: Orbis, 1929, 131 pp.

A sketch of men and parties.

L'UNION SACRÉE POLONAISE. By Casimir Smorgorzewski. Paris: Gebethner and Wolff, 1929, 71 pp. Fr. 9.

An account of the Polish organization during the war, based upon unpublished material.

LA POLOGNE ET LA GUERRE À TRAVERS LES LIVRES POLONAIS. By Casimir Smorgorzewski. Paris: Gebethner and Wolff, 1929, 96 pp. Fr. 9.

A very useful résumé of some thirty-five Polish books dealing with the war period.

ZEHN JAHRE POLNISCHE WÄHRUNG. By Immanuel G. Triebe. Berlin: Sack, 1929, 111 pp. M. 6.

A scholarly history of Poland's monetary problem, published by the *Osteuropa Institut*.

IMPRESSIONS OF SOVIET RUSSIA AND THE REVOLUTIONARY WORLD. By John Dewey. New York: New Republic, 1929, 270 pp. $1.00.

An educator's impressions (some of them first-hand) of conditions in Russia, Mexico, China and Turkey.

THE WAR AND THE RUSSIAN GOVERNMENT. By Paul P. Gronsky and Nicholas J. Astrov. New Haven: Yale University Press, 1929, 331 pp. $3.50.

This and the following volumes in the Russian series of the Carnegie History of the World War are detached and scholarly studies which do much to clarify the story of the Russian collapse and revolution.

RUSSIA IN THE ECONOMIC WAR. By Baron Boris E. Nolde. New Haven: Yale University Press, 1929, 232 pp. $2.50.

An indispensable volume, in which the profound effects of the blockade of Russia are clearly brought out.

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The sections dealing with the universities during the war and their part in the revolution are of particular interest.

VON KERENSKI ZU LENIN. By Michael Smilg-Benario. Vienna: Amalthea, 1929, 324 pp. M. 15.

A continuation of the author's *Zusammenbruch der Zarenmonarchie;* purely political, but stressing the importance of foreign policy in the collapse of the first revolution.

LE COUP D'ÉTAT BOLCHEVISTE. By Serge Oldenbourg. Paris: Payot, 1929. 528 pp. Fr. 50.

An imposing and very useful collection of documents, without comment, covering the period from October 20 to December 3, 1917.

LA VIE DE LENINE. By Pierre Chasles. Paris: Plon, 1929, 248 pp. Fr. 12.

One of the best accounts of Lenin as a revolutionary leader, by an author who knows Russia and Russian well.

LE PREMIER ÉCHEC DES ROUGES. By Henry Laporte. Paris: Payot, 1929, 192 pp. Fr. 18.

A fascinating though not sympathetic story of the first months of the Bolshevik régime, with special reference to the conflict in Finland.

LIBERTY UNDER THE SOVIETS. By Roger N. Baldwin. New York: Vanguard, 1928, 272 pp. 50 cents.

The problem described from a friendly angle.

CIVIC TRAINING IN SOVIET RUSSIA. By Samuel N. Harper. Chicago: Chicago University Press, 1929, 401 pp. $3.00.

One of the most careful and scholarly books yet published on Soviet Russia, and a veritable mine of information on the technique of Soviet propaganda in Russia itself.

THE JEWS AND OTHER MINOR NATIONALITIES UNDER THE SOVIETS. By Avraham Yarmolinsky. New York: Vanguard, 1929, 206 pp. 50 cents.

An excellent brief study of a much discussed question.

THE CURIOUS LOTTERY. By Walter Duranty. New York: Coward-McCann, 1929, 237 pp. $2.50.

The Russian correspondent of the *New York Times* reviews a number of cases which throw light on the working of justice under the Soviets.

ECONOMIC NATIONALISM OF THE DANUBIAN STATES. By Leo Pasvolsky. New York: Macmillan, 1929, 636 pp.

An excellent volume surveying the pre-war situation, the consequences of the dissolution of the Hapsburg Monarchy, and the work of reconstruction.

BALKANS NOUVEAUX. By Maurice Pernot. Paris: Hachette, 1929, 250 pp. Fr. 12.

Greece, Bulgaria, Rumania and Jugoslavia, as seen by a Frenchman.

DIE AUSWÄRTIGE POLITIK SERBIENS 1903–1914. Volume I. By Miloš Boghitschewitsch. Berlin: Brückenverlag, 1928, 451 pp. M. 17.

The first volume of an important collection of documents, which throw light on the Serbian policy from 1908 to 1914.

THE BALKAN PIVOT: JUGOSLAVIA. By Charles A. Beard and George Radin. New York: Macmillan, 1929, 333 pp. $2.50.

A complete and excellent survey of the Jugoslav Government and administration as it existed until the recent *coup d'état.*

LA POLITIQUE DE LA BANQUE NATIONALE DE GRÈCE. By Demosthène G. Bristoyannis. Paris: Sagot, 1929, 338 pp. Fr. 50.

A scholarly treatment.

LA RECONSTRUCTION FINANCIÈRE DE LA GRÈCE ET LA SOCIÉTÉ DES NATIONS. By Panagiotis B. Dertilis. Paris: Rousseau, 1928, 240 pp. Fr. 40.

The best general account of the financial difficulties of post-war Greece.

The British Commonwealth of Nations

THE LIFE OF LORD PAUNCEFOTE. By Robert B. Mowat. Boston: Houghton Mifflin, 1929, 322 pp. $5.00.

An account of the diplomatic questions that Pauncefote had to deal with rather than a conventional biography.

AN AUTOBIOGRAPHY. By Richard B. Haldane. New York: Doubleday Doran, 1929, 400 pp. $5.00.

The eclipse of Lord Haldane during the World War is one of the tragic aspects of the struggle so far as it concerned England. The initiated knew that the suspicion with which he was regarded by the public was unjust. To those who read his fascinating autobiography it will appear almost unbelievable. For Haldane, who was not of the spectacular type that attracts the man in the street, is bound to grow as time goes on, and Earl Haig was not far wrong when he spoke of him as the greatest war minister England ever had. The book is a work of first interest and importance, in which the historian may read in detail the remarkable story of England's preparation for the war and the organization of the expeditionary force which played so crucial a part in 1914. It is a story of intelligent and devoted service and can be ranked with Churchill's volumes as a contribution to the history of the war.

THREE PERSONS. By Sir Andrew MacPhail. London: Murray, 1929, 240 pp. 10/6.

A study of Sir Henry Wilson, Colonel Lawrence and Colonel House, as revealed in their writings.

ON THE EDGE OF DIPLOMACY. By J. D. Gregory. London: Hutchinson, 1929, 286 pp. 21/.

The former undersecretary of the foreign office carefully avoids indiscretions, but throws interesting sidelights on the events and personalities of the period from 1902 to 1928.

FIELD MARSHAL EARL HAIG. By Brigadier-General John Charteris. New York: Scribner, 1929, 407 pp. $6.00.

The most competent and authoritative biography of Haig published to date, written by one who was closely associated with him. The book throws much light on Allied strategy as well as on the problem of the high command.

LE DRAME DE JUTLAND. By Edmond Delage. Paris: Grasset, 1929, Fr. 12.

An interesting attempt to clear up the disputed points with the use of the voluminous material now available.

KRIEGSZIELE UND ÖFFENTLICHE MEINUNG ENGLANDS 1914–1916. By Friederike Recktenwald. Stuttgart: Kohlhammer, 1929, 147 pp. M. 6.60.

A competent study of the way in which the ideas of 1918 evolved in the first war years.

DICTIONARY OF OFFICIAL WAR TIME ORGANIZATIONS. By N. B. Dearle. New Haven: Yale University Press, 1929, 323 pp. $2.75.

A valuable reference book in the Carnegie Series.

THE WORLD CRISIS. THE AFTERMATH. By Winston L. S. Churchill. New York: Scribner, 1929, 516 pp. $5.00.

Every volume of Churchill's great epic of the war has aroused discussion and dispute, and it is inevitable that this last volume, dealing with the critical years 1918 to 1922, should give rise to disagreement in some and disappointment in others. The fact remains, however, that the chaotic post-war period calls for a genius in description, and that Churchill rises to the heights he attained in his depiction of the earlier international anarchy. It would be quite impossible to analyze here the complete content of this crowded book, but attention must be called to the fascinating chapters on the Peace Conference, the Russian situation and the Near Eastern crisis, as well as to the highly informative pages on the Irish settlement. The impression left on the reader is an uninspiring one of indecision and bungling on the part of the Allies, who appear hardly as great in victory as in the hour of trial. Churchill pictures himself as championing reconciliation with Germany from the very time of the armistice, but with great mastery and skill he recreates the general atmosphere then prevailing and shows why a sensible policy was almost impossible. The last chapter, which more or less draws together the story of the whole five volumes, is of particular interest.

VERSAILLES TO RAPALLO. By Baron Edgar V. D'Abernon. New York: Doubleday Doran, 1929, 345 pp. $5.00.

Like Churchill's "The Aftermath," this is one of the few really great and instructive books on the years immediately following the conclusion of peace. Lord D'Abernon, long known as Sir Edgar Vincent to those interested in the Near East, and especially in matters of Turkish finance, was British Ambassador to Germany from 1920 to 1926. His ambassadorial services, not only to England, but to Germany and the world in general, are bound to receive wider and wider recognition. In this first volume of his reminiscences he relies largely on his diaries in giving a detailed account of the various post-war conferences, from Spa to Rapallo. The book is written with the utmost frankness and sets these important events into high relief. The English policy is criticized quite as sharply as that of any of the other Powers, but D'Abernon, like Churchill, has an understanding mind and is thoroughly successful in reviving the psychological state that influenced the actions of the men in control. In fact, it may be said that his keen estimate of the German mentality and his character sketches of men like Rathenau are the best things in a truly remarkable book.

KINGS, CHURCHILLS AND STATESMEN. By Knut Hagberg. London: Lane, 1929, 246 pp. 12/6.

Excellent biographical studies covering the field from the Duke of Marlborough to Prime Minister Baldwin.

THE BRITISH EMPIRE. By Basil Williams. New York: Holt, 1928, 252 pp. $1.00.

Perhaps the best brief account.

THE NEW BRITISH EMPIRE. By L. Haden Guest. London: Murray, 1929, 334 pp. 7/6.

A general account, with chief emphasis on Canada and Australia.

LE GOUVERNEUR DANS LES DOMINIONS BRITANNIQUES. By Henri Couve de Murville. Paris: Rousseau, 1929, 205 pp. Fr. 25.

A thorough piece of constitutional writing.

LETTERS AND LEADERS OF MY DAY. By T. M. Healy. New York: Stokes, 1929, two volumes, $10.00.

The governor-general of the Irish Free State takes his letters to his father and brother as a basis for an interesting and valuable review of sixty years of the Irish question.

CANADA IN THE COMMONWEALTH. By Sir Robert Borden. New York: Oxford University Press, 1929, 160 pp. $3.75.

In the first series of Rhodes Memorial Lectures the Canadian statesman surveys the evolution of the Dominion in its imperial setting.

EMPIRE AND COMMONWEALTH. By Chester Martin. New York: Oxford University Press, 1929, 408 pp. $5.00.

A scholarly and wholly admirable study of the development of Canada from the old colonial system to membership in the Commonwealth, with particular emphasis on the evolution of responsible government.

CANADA AND THE UNITED STATES. By Hugh L. Keenleyside. New York: Knopf, 1929, 396 pp. $4.00.

This is a careful, scholarly and well-documented history of Canadian relations with the United States that should be in the hands of every student of American foreign relations.

THE LIFE OF GENERAL DYER. By Ian Colvin. London: Blackwood, 1929, 345 pp. 20/.

All that can be said in favor of the man responsible for the Amritsar shooting.

INDIA IN 1927–1928. By J. Coatman. Calcutta: Government of India (New York: British Library of Information), 1928, 461 pp. 4/6.

The latest edition of an excellent official manual.

THE BRITISH CROWN AND THE INDIAN STATES. London: King, 1929, 244 pp. 10/6.

A well-balanced and reliable statement of the case of the native princes, prepared for the Butler Committee.

INDIA: STEPMOTHER. By Sir Claude H. Hill. London: Blackwood, 1929, 334 pp. 12/6.

The memoirs of a sympathetic administrator, with some consideration of present problems.

TOWARDS SWARAJ. By S. K. Sarma. Madras: Iyengar, 1929, 428 pp. Rs. 5.

The extreme nationalist and anti-British view.

INDIA ON TRIAL. By J. E. Woolacott. London: Macmillan, 1929, 258 pp. 10/.

The former Delhi correspondent of the London *Times* gives a lucid discussion of the present discontent, the religious antagonisms and the economic problems.

CHRISTIANITY AND THE GOVERNMENT OF INDIA. By Arthur Mayhew. London: Faber and Gwyer, 1929, 260 pp. 12/6.

A scholarly and detached discussion of the relations between the British Government and the Christian Missions from 1600 to 1920, by the former Director of Public Instruction of the Central Provinces.

The Near East

THE MOSLEM MIND. By L. Levonian. Boston: Pilgrim Press, 1929, 245 pp. $2.50.

An unusual and highly interesting discussion of Turkish mentality and the background of the present changes, by the Dean of the School of Religion at Athens.

REGARDS SUR L'ÉGYPTE ET LA PALESTINE. By Gabriel Hanotaux. Paris: Plon, 1929, 284 pp. Fr. 15.

These stimulating travel impressions of the well-known French historian should prove of real value to students of the Near East.

LE PAYS D'ISRAEL. By Emile Vandervelde. Paris: Rieder, 1929, 256 pp. Fr. 15.
The Belgian socialist statesman views conditions in Palestine chiefly from the standpoint of the class struggle and the national conflict.

Africa

L'ALGÉRIE DU CENTENAIRE. By Octave Depont. Paris: Sirey, 1928, 214 pp. Fr. 30.
A centenary volume stressing the accomplishments of the French and the evolution of the native population.

LA VICTOIRE FRANCO-ESPAGNOL DANS LE RIF. By Lieutenant-Colonel Laure. Paris: Plon, 1929.
An excellent account of the recent campaigns, by a French staff officer.

LE SECRET D'UNE CONQUÊTE. By Léon Begue. Paris: Tallandier, 1929, 224 pp. Fr. 9.
The *dessous* of the French action by an author who knows the country well and was associated with Lyautey.

ITALIA E FRANCIA NEL SAHARA ORIENTALE. By C. Salvati. Milan: Libreria d'Italia, 1929, 190 pp. L. 5.
The growing rivalry between the two countries in the hinterland of Tripoli.

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A good descriptive work, stressing the recent changes.

THE BRITISH IN TROPICAL AFRICA. By Ifor L. Evans. New York: Macmillan, 1929, 404 pp. $4.50.
An excellent and much-needed survey of the history of European penetration in Africa, followed by an account of the British rule in West and East Africa and the Sudan.

TOWARDS NATIONHOOD IN WEST AFRICA. By J. W. de Graft Johnson. London: Headley, 1928, 158 pp. 3/6.
A critique of the constitution of 1925 in the Gold Coast.

HISTORY OF NIGERIA. By A. C. Burns. London: Allen and Unwin, 1929, 360 pp. 15/.
The first complete history of this important province, written by one long resident in the country.

WHITE CAPITAL AND COLOURED LABOUR. By Lord Olivier. London: Hogarth, 1929, 348 pp. 12/6.
An entirely revised and modernized edition of a standard treatise published in 1906.

THE SEGREGATION FALLACY AND OTHER PAPERS. By D. D. T. Jabavu. Cape Province: Lovedale, 1928, 137 pp. 2/6.
A defense of the threatened rights of the natives in the South African Union.

The Far East

HISTOIRE DE L'EXTRÊME ORIENT. By René Grousset. Paris: Geuthner, 1929, two volumes, Fr. 250.
An outstanding scholarly treatment, written by the curator of the Guimet Museum.

SOUS LE SIGNE DU DRAGON. By Georges R. Manue. Paris: Nouvelle Revue Française, 1929, 250 pp. Fr. 35.

An interesting but not very profound record of observations and interviews by a French journalist.

A HISTORY OF CHRISTIAN MISSIONS IN CHINA. By Kenneth S. Latourette. New York: Macmillan, 1928, 942 pp. $5.00.

By far the most complete and authoritative account.

SOME ASPECTS OF JAPAN AND HER DEFENCE FORCES. By Captain M. D. Kennedy. London: Kegan Paul, 1929, 248 pp. 13/6.

A competent discussion of the Japanese war machine, which should do much to take the wind out of the alarmists' sails.

Latin America

LE CONTINENT AMÉRICAIN ET LE DROIT INTERNATIONAL. By Urrutia. Paris: Rousseau, 1928, 404 pp. Fr. 75.

The organization of Latin America for peace; an excellent history of arbitration, the Pan-American Union and the work of codifying international law.

LA COUR DE JUSTICE CENTRE AMÉRICAIN. By Jean Eyma. Paris: Sagot, 1929, 200 pp. Fr. 30.

A scholarly legal study of an interesting organization.

THE ROMANCE AND RISE OF THE AMERICAN TROPICS. By Samuel Crowther. New York: Doubleday Doran, 1929, 407 pp. $5.00.

The American conquest of the Caribbean, viewed in a rather rosy light.

COMBING THE CARIBBEES. By Harry L. Foster. New York: Dodd Mead, 1929, 302 pp. $3.00.

Delightful travel notes interspersed with keen observations on conditions in the West Indies.

THE ISTHMIAN HIGHWAY. By Hugh G. Miller. New York: Macmillan, 1929, 327 pp. $4.50.

The sanest and best-balanced account of the history of American policy in Latin America, written in scholarly fashion and well-documented, by a former Assistant United States Attorney. The book should be read as an antidote to the numerous anti-imperialistic writings on the subject that have appeared in the last few years. Miller takes up the Monroe Doctrine, its origin and the ideas that underlay it. The chief emphasis, however, is on the problem of the Canal, which the author approaches from the broader standpoint of an international question. The Clayton-Bulwer and the Hay-Pauncefote Treaties are discussed in great detail, and the relations of the United States with Nicaragua are studied in connection with the Canal problem. The writer makes out a good case for the American policy, though he does not hesitate to criticize where he thinks criticism is called for. The texts of the more important agreements bearing upon the subject are included in the appendices and should prove convenient to the general reader.

MEXIKO UND DIE STAATEN ZENTRALAMERIKAS. By Karl von Schumacher. Zurich: Füssli, 1929, 174 pp. M. 8.50.

A descriptive and historical manual, stressing the position of Central America in world economics and world policy.

MEXICO. By Fred J. Rippy, José Vasconcelos and Guy Stevens. Chicago: University of Chicago Press, 1929, $1.50.

Three good little essays — by an historian, a Mexican patriot and a representative of American oil interests.

THE MEXICAN AGRARIAN REVOLUTION. By Frank Tannenbaum. New York: Macmillan, 1929, 543 pp. $2.50.

This publication of the Institute of Economics is quite up to the standard of its other volumes. The reader will find here an exhaustive treatment, based in part upon unpublished material, of the social structure of Mexico before the revolution, of the land problem as it presented itself to the revolutionary leaders, of the process of distribution of land and of the whole question of foreign ownership and the effects of recent legislation upon this important aspect of international relations. Considering the tremendous importance of agrarian factors in the present unrest, the book may almost be called a history of the revolution itself. Certainly it cannot be neglected by any serious student of Mexican affairs.

Miscellaneous

THE ORDEAL OF THIS GENERATION. By Gilbert Murray. London: Allen and Unwin, 1929, 236 pp. 4/6.

A series of lectures by a famous scholar, dealing mainly with questions of peace and the League.

THE PROSPECTS OF DEMOCRACY AND OTHER ESSAYS. By Alfred Zimmern. London: Chatto and Windus, 1929, 375 pp. 12/6.

Collected papers of a well-known writer and League protagonist.

LA RIFORMA POLITICA IN EUROPA. By Enrico Corradini. Milan: Mondadori, 1929, 182 pp. L. 12.

A prominent Italian nationalist writer reviews the whole story of the collapse of liberalism and parliamentarism and foresees the growth of the corporative state.

THE CHURCH AND WAR. By Franziskus Stratman. New York: Kenedy, 1929, 219 pp. $2.25.

A Catholic theologian examines the problem in the light of divine revelation and in the light of human reason.

GEWALT UND GEWALTLOSIGKEIT. Edited by Franz Kobler. Zurich: Rotapfel, 1928, 388 pp. M. 6.40.

An extensive account of the movement of active pacifism from Penn to Tolstoi, Gandhi and the World War.

YOU CAN'T PRINT THAT. By George Seldes. New York: Payson and Clarke, 1929, 355 pp. $4.00.

A book that should be read. On the basis of his own wide experience as a journalist the author discusses the vital question of censorship and the suppression of the news.

LA BATAILLE ÉCONOMIQUE. By Pierre Lyautey. Paris: Editions Géographiques, 1929, 286 pp. Fr. 12.

An exceedingly interesting and well-informed study of the post-war economic situation, with special reference to the problems of France.

ALMANACH DE GOTHA, 1929. Gotha: Justus Perthes, 1929, 1426 pp.

The hundred and sixty-sixth edition of this standard reference work.

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By Denys P. Myers

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H. J. RES. 416. Joint resolution amending section 1 of the joint resolution entitled "Joint resolution to prohibit the exportation of arms or munitions of war from the United States to certain countries, and for other purposes," of January 31, 1922. By Mr. Porter. Washington, 1929. (70th Cong., 2d Sess.)

S. J. RES. 215. Joint resolution providing that it shall be unlawful . . . to export . . . articles for use in war to any country violating the provisions of the multilateral treaty. . . . By Mr. Capper. (70th Cong., 2d Sess.)

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NAVIES

FLEETS (The British Empire and Foreign Countries). Particulars of the Fleets of the British Empire, United States of America, Japan, France, Italy, Soviet Union, and Germany, on the 1st day of February, 1929, distinguishing, both built and building, Battleships, Battle Cruisers, Cruisers, Cruiser Minelayers, Armoured Coast Defence Vessels and Monitors, Aircraft Carriers, Flotilla Leaders, Destroyers, Torpedo Boats, Submarines, Sloops, Coastal Motor Boats, Gunboats and Despatch Vessels, River Gunboats, and Minesweepers. London, 1929. 95 p. 24½ cm. (Cmd. 3277.) 2s.

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INTERNATIONAL Conference on the Treatment of Foreigners, Geneva, November 5, 1929. Preparatory Documents. Draft convention prepared by the Economic Committee of the League of Nations to serve as a basis for discussion at the International Conference. Commentary, observations of Governments, remarks of the Economic Committee on these observations. Geneva, March 5, 1929. 97 p. 33 cm. (League of Nations, C. I. T. E. 1. 1929. II. 5.)

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DEPARTMENT of State, Treaty Division. Monthly Bulletin of Treaty Information. No. 1–. March– , 1929– .

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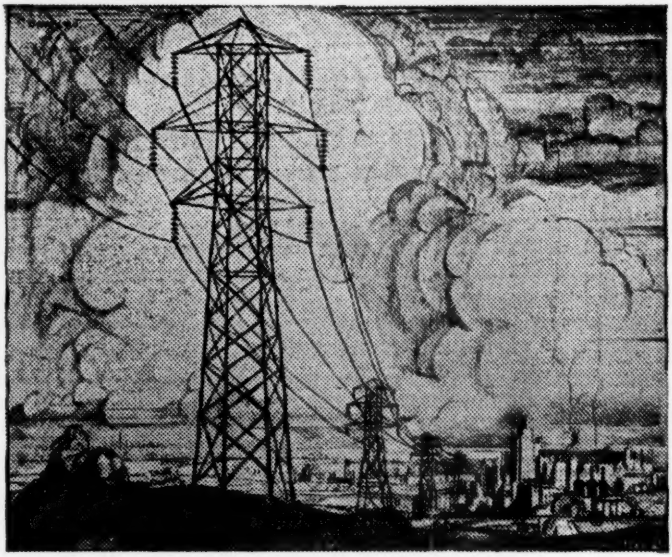

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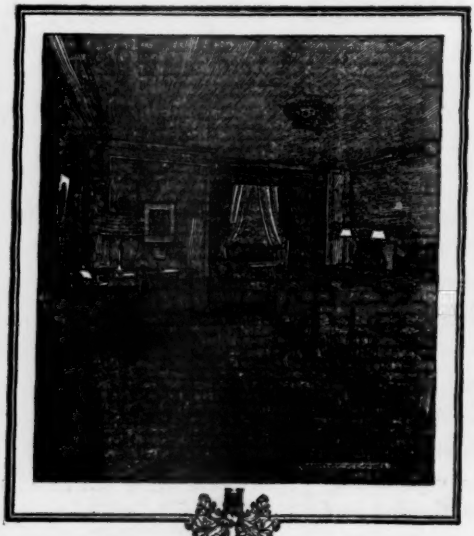

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Before me, a Notary Public in and for the State and county aforesaid, personally appeared F. D. Caruthers, Jr., who, having been duly sworn according to law, deposes and says that he is the Business Manager of FOREIGN AFFAIRS, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, to wit: 1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, Council on Foreign Relations, Inc., 25 W. 43rd St., New York City; Editor, Hamilton Fish Armstrong, 25 W. 43rd St., New York City; Business Manager, F. D. Caruthers, Jr., 25 W. 43rd St., New York City. 2. That the owners are: Council on Foreign Relations, Inc. (no stockholders — about 400 members); Pres. John W. Davis, 15 Broad St., New York City; V.-Pres., Paul D. Cravath, 15 Broad St., New York City; Sec'y-Treas., Edwin F. Gay, 25 W. 43rd St., New York City. 3. That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgages, or other securities are: none. 4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they may appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

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Sworn to and subscribed before me this 5th day of April, 1929.
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